

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. '4-99)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-04-0629-03	REGULATORY ACTION NUMBER 05-0629-01C	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY California Department of Social Services		AGENCY FILE NUMBER (If any) ORD #0404-01	

ORIGINAL

FILED

in the office of the Secretary of State
of the State of California

AUG 05 2005

At 2:16 O'clock P.M.

ORD #0404-01

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

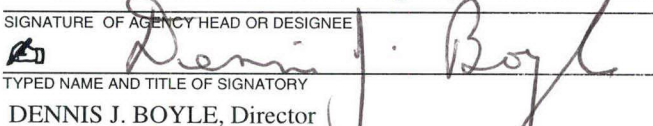
1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE ☐ Notice re Proposed Regulatory Action ☐ Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER ()	FAX NUMBER (Optional) ()
OAL USE ONLY	ACTION ON PROPOSED NOTICE ☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/Withdrawn		NOTICE REGISTER NUMBER 04 #28-2	PUBLICATION DATE 7-9-2004

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Quarterly Reporting in the Food Stamp Program		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 04-0624-03EP; 04-1217-05EEP	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics-related)			
SECTION(S) AFFECTED (List all section number(s) individually)		ADOPT see attached	
TITLE(S) MPP		AMEND see attached	
		REPEAL	
3. TYPE OF FILING			
☐ Regular Rulemaking (Gov. Code, § 11346) ☐ Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code, §§ 11349.3, 11349.4) ☐ Emergency (Gov. Code, § 11346.1(b)) ☐ Emergency Readopt (Gov. Code, § 11346.1(h)) ☐ Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, § 11346.1)			
☒ Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Government Code §§ 11346.2 - 11346.9 prior to, or within 120 days of, the effective date of the regulations listed above.			
☐ Print Only ☐ Changes Without Regulatory Effect (Cal. Code Regs., title 1, § 100) ☐ Other (specify)			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §§ 44 and 45) April 13, 2005 through April 27, 2005			
5. EFFECTIVE DATE OF REGULATORY CHANGES (Gov. Code, §§ 11343.4, 11346.1(d)) ☐ Effective 30th day after filing with Secretary of State ☒ Effective on filing with Secretary of State ☐ Effective other (Specify)			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY ☒ Department of Finance (Form STD. 399) (SAM §6660) ☐ Fair Political Practices Commission ☐ State Fire Marshal ☐ Other (Specify)			

7. CONTACT PERSON Alison Garcia, Manager, ORD	TELEPHONE NUMBER () 657-2586	FAX NUMBER (Optional) ()	E-MAIL ADDRESS (Optional)
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 6/27/05
TYPED NAME AND TITLE OF SIGNATORY DENNIS J. BOYLE, Director	

B.2. Adopt: Sections 63-508 and 63-509

Amend: Sections 63-034, 63-102, 63-103, 63-300, 63-301, 63-410, 63-501, 63-503, 63-504, 63-505, 63-801 and 63-804

Adopt Section 63-034 to read:

63-034 IMPLEMENTATION OF QUARTERLY REPORTING AND 63-034
 PROSPECTIVE BUDGETING (QR/PB)

- .1 Sections 63-102, 63-103, 63-300, 63-301, 63-410, 63-501, 63-503, 63-504, 63-505, 63-508, 63-509, 63-801, and 63-804 shall become effective upon filing with the Secretary of State.
- .2 Monthly Reporting/Retrospective Budgeting (MR/RB) subsections shall become inoperative and Quarterly Reporting/Prospective Budgeting (QR/PB) subsections shall become operative in a County Welfare Department (CWD) on the date QR/PB becomes effective in that county, pursuant to the California Department of Social Services (CDSS) Director's QR/PB Declaration. The Director's Declaration states that the necessary federal Food Stamp Program waivers have been granted, and specifies a staggered implementation schedule for counties.
- .3 The provisions in Sections 63-102, 63-103, 63-300, 63-301, 63-410, 63-501, 63-503, 63-504, 63-505, 63-508, 63-509, 63-801, and 63-804 must be applied to all food stamp households no later than July 1, 2004, with the exception of existing nonmonthly reporting (change reporting) households in the Food Stamp Program, outlined in Manual of Policies and Procedures (MPP) Section 63-505.21. Nonmonthly food stamp households will continue to follow existing nonmonthly reporting rules (change reporting) and will not be mandated to submit quarterly reports.
- .4 Sections 18910, 11265.1, .2, and .3, Welfare and Institutions Code as amended by Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002) and AB 1402 (Chapter 398, Statutes of 2003), directed CDSS to implement provisions of the statutes for the amended and adopted regulations initially through an All-County Letter (ACL), followed by emergency regulations. CDSS authorized CWDs to implement QR/PB through ACL 03-18 dated April 29, 2003.

Authority Cited: Sections 10554, 11265.1, .2, .3, 18904, and 18910, Welfare and Institutions Code as amended by AB 444 (Chapter 1022, Statutes of 2002) and AB 1402 (Chapter 398, Statutes of 2003).

Reference: Sections 10554 and 18904, Welfare and Institutions Code and Food and Nutrition Service (FNS) Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

1. Amend Section 63-102 to read:
2. Post-Hearing: Amend Section 63-102 to read:
3. 15-Day Renotice: Amend Section 63-102 to read:

63-102 DEFINITIONS (Continued)

63-102

- (b) Section 63-102(b)(1)(MR) shall become inoperative and Section 63-102(b)(1)(QR) shall become operative in that county, pursuant to the Director's QR/PB Declaration.

(MR) (1) "Beginning Months" in a retrospective budgeting system means the first month the household is certified for food stamps and the month thereafter. For households applying for food stamps and PA benefits at the same time, a third beginning month shall be assigned if necessary for the household to transition from prospective to retrospective budgeting during the same months for both food stamps and PA. The first beginning month cannot be any month which immediately follows a month in which a household is certified and subject to retrospective budgeting in any project area. The month following the month of suspension shall not be considered a beginning month.

(2) "Budget Month" in a retrospective budgeting system means the month from which income and other circumstances (except household composition) of the household are used to calculate the household's allotment for the corresponding issuance month.

(3) "Bulk storage point" means a location which receives and stores coupons from FNS for two or more CWDs and transfers them to issuance agents. It must report coupon inventories on the FNS-250. Coupons are not issued to recipients from bulk storage points.

(QR) (1) "Bulk storage point" means a location which receives and stores coupons from FNS for two or more CWDs and transfers them to issuance agents. It must report coupon inventories on the FNS-250. Coupons are not issued to recipients from bulk storage points.

(c) (1) (Continued)

(11) Section 63-102(c)(11)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) "Change Reporting Household" means a household consisting of seasonal and/or migrant farmworkers, all elderly or disabled individuals or households with all homeless individuals. These households are required to report income, resource and household circumstance changes within 10 days of the occurrence. Benefits are increased or decreased based on these reported changes.
- (12) Section 63-102(c)(12)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) "Conversion Factor" means a figure used to convert income paid on a weekly or bi-weekly basis to a monthly averaged figure. Weekly amounts are multiplied by 4.33 and bi-weekly amounts by 2.167.
- (13) Section 63-102(c)(13)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) "County Initiated Mid-Quarter Actions" means the changes in eligibility status based on case information that the CWD is required to act on mid-quarter such as sanctions, financial penalties, ~~duplication~~ approval of benefits in another household, or the end of an inter-county transfer, known to county information like electronic wage matches, or changes in public assistance grants cost-of-living changes. (Continued)
- (14) (Continued)
- (15) (Continued)
- (e) (5) Section 63-102(e)(5)(MR) shall become inoperative and Section 63-102(e)(5)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) "Extended Filing Date" in a monthly reporting system is by close of business on the first working day of the issuance month and is the final date by which the household must submit a complete CA 7, including all required verification without penalty of termination of eligibility or disallowance of deductions.
- (QR) "Extended Filing Date" in a QR system is by close of business on the first working day of the new QR quarter and is the final date by which the household must submit a complete Quarterly Report (QR 7), including all required verification, without penalty of termination of eligibility or disallowance of deductions.

(6) (Continued)

- (i) (6) Section 63-102(i)(6)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) "Income Reporting Threshold (IRT)" means the level of income that triggers the need for a CalWORKs Assistance Unit (AU) to make a mandatory mid-quarter report of a change in income. The IRT is the greater of 130 percent of the Federal Poverty Level (FPL) or the level at which an AU become financially ineligible in the CalWORKs program.

(7) (Continued)

(8) (Continued)

(9) (Continued)

- (10) Section 63-102(i)(10)(MR) shall become inoperative and Section 63-102(i)(10)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) "Issuance Month" in a monthly reporting and retrospective budgeting system means the month for which a food stamp allotment is issued. The allotment is based on income and circumstances in the corresponding budget month. In PB, the budget month and issuance month are the same. In retrospective budgeting, the issuance month is the second month after the budget month.

(QR) "Issuance Month" in a QR/PB system means any month during a quarter for which a food stamp allotment is issued.

(11) (Continued)

(12) (Continued)

- (m) (1) (Continued)

- (7) Section 63-102(m)(7)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) "Mid-Quarter Change" means any change reported during the QR Payment Quarter that is outside the QR 7 report process. There are two types of mid-quarter reports: (1) mandatory reports are reports households are required to make within 10 days of the occurrence, and (2) voluntary reports are reports that households may make to the CWD during the quarter if the household wants benefits increased mid-quarter. CWDs shall only take action to change benefits based on voluntary mid-quarter reports when benefits increase as a result of the reported change. No action based on a voluntary mid-quarter report shall be taken to decrease benefits.

(8) (Continued)

(9) (Continued)

(10) (Continued)

(q) Sections 63-102(q)(1) through (5) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(1) "QR Implementation Month" means the month in which all of a CWD's cases are converted to PB subject to the Director's Declaration.

(2) "QR Data Month" means the second month of the quarter for which the recipient reports all information necessary to determine eligibility.

(3) "QR/PB" means Quarterly Reporting/Prospective Budgeting.

(4) "QR Payment Quarter" means the quarter in which benefits are paid/issued. The QR payment quarter begins the first day immediately following the QR Submit Month.

(5) "QR Submit Month" means the month in which the QR 7 is required to be submitted to the CWD. The QR Submit Month is the third month of each quarter.

(r) (1) Section 63-102(r)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) "Reasonably Anticipated Income and Expenses" means income and expenses that have been or will be approved or authorized as of a date within the upcoming QR Payment Quarter and the amount of income is known, or the household is otherwise reasonably certain that the income will be received within the quarter and the amount of income is known. (See Sections 63-509(a)(2) and (3).)

(2) (Continued)

(3) (Continued)

(4) (Continued)

(5) (Continued)

(6) (Continued)

(7) Section 63-102(r)(7)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)"Report Month" means the month in a monthly reporting and retrospective budgeting system during which the CA 7 from the budget month is due and the month during which the household's allotment for the issuance month is calculated. The report month is between the budget month and the issuance month.

(8) (Continued)

(9) (Continued)

(10) (Continued)

(11) Section 63-102(r)(11)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)"Retrospective Budgeting" means the computation of a household's food stamp allotment for an issuance month based on actual income and circumstances which existed in the budget month.

(12) (Continued)

(s) (Continued)

(t) (1) (Continued)

(2) Section 63-102(t)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) “Third-Party Information” means information that is not known to the county, and is a report from an outside source about a household’s circumstances.

(23) (Continued)

(34) (Continued)

(45) (Continued)

(56) (Continued)

Authority Cited: Sections 10553, 10554, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 10830, 11486.5 and 18930 through 18934, Welfare and Institutions Code; 8 U.S.C.A. Section 1522(e); 42 U.S.C.A. 601, et seq.; and 42 U.S.C.A. 5122; 7 CFR 272, 7 CFR 272.4(f); 7 CFR 273, 7 CFR 273.1(c)(5); 7 CFR 271.2; 7 CFR 273.2, .2(j), (j)(4), and (v)(2)(i)(B); 7 CFR 273.4(a)(3)(ii) and (iv), .4(c), (c)(2), and (e)(3)(iv); 7 CFR 273.5(a); 7 CFR 273.8; 7 CFR 273.9(c)(1)(ii)(D); and (c)(11)(i) and (ii); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12(e); 7 CFR 273.16(c); 7 CFR 273.18(a)(1)(ii); 7 CFR 273.18(e)(3)(v), (e)(5)(v) and (n)(1)(i); 7 CFR 273.21(b); 7 CFR 274.3(a)(2); 7 CFR 2710.2; 45 CFR 401; 45 CFR 400.62; Public Law (P.L.) 100-77, Section 802; Section 70 of Assembly Bill (AB) 444, Chapter 1022, Statutes of 2002; AB 692, (Chapter 1024, Statutes of 2002); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) [Dock. No. CV-89-0768]); Section 66011, Education Code; P.L. 102-237, Section 902; 7 U.S.C. 2014(c)(2)(B) and (k)(2)(F); 7 U.S.C. 2022(b)(4); 8 U.S.C. 1631; U.S.D.A. Food and Nutrition Service Administrative Notices 94-39, 97-44, and 98-56; Hamilton v. Madigan (9th Cir. 1992) 961 F.2d 838; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; Food Stamp Act Section 6(k)(1); P.L. 104-193, Sections 272, 273, 805, 821, and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Register Vol. 59, No. 224, dated November 22, 1994; and Federal Register Vol. 65, No. 130, dated July 6, 2000 and Vol. 65, No. 149 Corrections, dated August 2, 2000.

1. Amend Section 63-103 to read:
2. Post-Hearing: Amend Section 63-103 to read:
3. 15-Day Renotice: Amend Section 63-103 to read:

63-103 DEFINITIONS -- FORMS (Continued)

63-103

.2 (Continued)

- c. (1) Section 63-103.2c.(1)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) CA 7 (rev. 1/93) - Monthly Eligibility Report (Continued)

- d. (Continued)

- (4) Section 63-103.2d.(4)(MR) shall become inoperative and Section 63-103.2d.(4)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) DFA 285-A3 (rev. 4/93) - Important Facts for Food Stamp Applicants (Continued)

(QR) DFA 285-A3 QR (rev. 12/03) - Your Right and Responsibilities.

The DFA 285-A3 QR is a required form, no substitutes permitted. The form is used to inform ~~QR food stamp applicants~~ households applying only for food stamp benefits of their rights and responsibilities and to certify that applicants understand those rights and responsibilities and the penalties for noncompliance.
(Continued)

HANDBOOK BEGINS HERE

- (14) Section 63-103.2d.(14)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) DFA 377.1 (rev. 3/02) - Notice of Approval (Continued)

- (16) Section 63-103.2d.(16)(MR) shall become inoperative and Section 63-103.2d.(16)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) DFA 377.2 (rev. 12/83) - Food Stamp Notice of Expiration of Certification (Continued)

(17) Section 63-103.2d.(17)(MR) shall become inoperative and Section 63-103.2d.(17)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) DFA 377.4 (rev. 12/83) - Food Stamp Notice of Change (Continued)

(QR) DFA 377.4 QR (rev. 1/04) - Food Stamp Notice of Change for Change Reporting Household

The DFA 377.4 QR is a required form, ~~and no~~ but substitutes are permitted if CWD obtains prior approval. The form is used to inform change reporting households of changes, and termination of benefits. ~~It also acts to inform a household that there is no change in benefits when a household has made a mid quarter report.~~
(Continued)

HANDBOOK ENDS HERE

(18) Section 63-103.2d.(18)(MR) shall become inoperative and Section 63-103.2d.(18)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) DFA 377.5 (rev. 8/90) - Food Stamp Household Change Report (Continued)

(QR) DFA 377.5 (rev. 4/04) - Food Stamp Household Change Report

The DFA 377.5 is used to report information on changes in household circumstances by households not subject to QR requirements. (Continued)

f. (13) (Continued)

(14) Section 63-103.2f.(14)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) FS 22 (rev. ~~124~~/034) - Applying for Food Stamp Benefits

FS 22 QR is a required form, but substitutes are permitted if CWD obtains prior approval. The form is used to reflect the change to QR for most food stamp households. This form is used for all NAFS households.

- (15) Section 63-103.2f.(15)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) FS 23 QR (rev. 5/04) - How to Report Household Changes

FS 23 QR is a required form, but substitutes are permitted if CWD obtains prior approval. The FS 23 QR informs about reporting requirements for the Food Stamp Program, which include reporting changes on the QR 7, mandatory mid-quarter reports and voluntary mid-quarter reports. (Continued)

- n. (1) Section 63-103.2n.(1)(MR) shall become inoperative and Section 63-103.2n.(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) NA 960X (rev. 6/93) - Notice of Action/CA 7 not Received (Continued)

(QR) NA 960X QR (rev. 4/04) - Notice of Action/QR 7 not Received

The NA 960X QR is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. The form is used to notify QR households that a QR 7 has not been received and that benefits may be affected as result.

- (2) Section 63-103n.(2)(MR) shall become inoperative and Section 63-103n.(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) NA 960Y (rev. 8/93) - Notice of Action/CA 7 Incomplete-Discontinuance Reminder (Continued)

(QR) NA 960Y QR (rev. 4/04) - Notice of Action/QR 7 Incomplete-Discontinuance Reminder

The NA 960Y QR is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. The form is used to notify QR households that a QR 7 is incomplete and that benefits may be affected as a result. (Continued)

- q. (1) Sections 63-103.2q.(1)(QR) through (12)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) (2) QR 2 (rev. 4/03) - Reporting Changes for Your Cash Aid Assistance Unit and Food Stamp Household

QR 2 is a CDSS-recommended form, and may be modified or substituted without prior approval. The form is used to inform the recipient of their income reporting threshold (IRT) and reporting responsibilities. The QR 2 is sent to the client on a quarterly basis and is used to satisfy the requirement in Welfare and Institutions Code Sections 11265 and 18910 to inform clients of their IRT at least once per quarter. The form also includes information for food stamp households regarding ABAWD reporting and mid-quarter reporting.

- (QR) (3) QR 3 (rev. 4/03) - Mid-Quarter Status Report

QR 3 is a CDSS-recommended form, and may be modified or substituted without prior approval. This form is used for CalWORKs clients who and Food Stamp Program households that choose to report mandatory and/or voluntary mid-quarter changes in writing. Clients are not mandated to use this form, and counties must accept verbal or written mid-quarter reports that are submitted in a manner other than on the QR 3.

- (QR) (4) QR 7 (rev. 4/03) - Quarterly Eligibility/Status Report

QR 7 is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. This form is used by the recipient household to report income for the Data Month in each QR Payment Quarter changes since the Data Month and expected changes over the next three months. This form includes an addendum listing examples of income, expenses, and the penalties for fraud. The QR 7 and the addendum (both together are considered one form) must be sent to the recipient at the end of their QR Data Month. The QR 7's certification section has a statement that the client has received the

addendum and a place where the recipient will attest to its receipt. The addendum is not required to be returned with the QR 7, which will be considered late if not received by the 11th day of the QR Submit Month.

(QR) (5) QR 7A (rev. 4/03) - How to fill out your QR 7

QR 7A is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. This form instructs recipients on how to fill out the QR 7. The QR 7A must be given to applicants at the time of application, and to recipients at each annual recertification/redetermination. This form must also be made available any time a client requests it.

(QR) (6) QR 22 (rev. 9/03) - Sponsor's Statement of Facts Income/Resources

The QR 22 is a required form, but substitutes are permitted if CWD obtains prior approval. It is used to collect necessary information about a noncitizen's sponsor in order to determine eligibility for the noncitizen.

(QR) (7) QR 72 (rev. 5/04) - Sponsor's Quarterly Income and Resources Report.

The QR 72 is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. This form must be sent to sponsored noncitizens with the QR 7 each quarter.

(QR) (8) QR 285-B (rev. 2/04) - Food Stamp Budget Worksheet.

The QR 285-B is a CDSS-recommended form, and may be modified or substituted without prior approval. This form is used to determine food stamp benefits amounts, and to reaverage benefit amounts after a mid-quarter report is made by a recipient. The QR 285-B is used for food stamp households subject to QR and change reporting, and for mid-quarter changes.

(QR) (9) QR 377.1 (rev. 4/04) - Notice of Approval

The QR 377.1 is a CDSS-required form, and no substitutes are permitted. This form is used to inform households of their approval for food stamp benefits and their certification period.

(QR) (10) QR 377.2 (rev. 4/04) - Food Stamp Notice of Expiration of Certification

The QR 377.2 is a CDSS-required form but substitutes are permitted. This form is used to inform change reporting households that their certification period will expire.

- (QR) (11) QR 377.4 (rev. 1/04) - Food Stamp Notice of Change For Quarterly Reporting Household

The QR 377.4 is a CDSS-required form, ~~and no~~ but substitutes are permitted if CWD obtains prior approval. This form is used to inform ~~QR change reporting~~ households of changes, ~~suspensions,~~ and termination of benefits.

- (QR) (12) ~~DFA QR~~ 377.5 ~~QR~~ (rev. 2/04) - Food Stamp Household Change Mid-Quarter Status Report

The ~~DFA QR~~ 377.5 is ~~used to report information on changes in household circumstances by households not subject to QR requirements~~ a recommended form and is used to report mandatory and voluntary mid-quarter changes in a QR household. (Continued)

- s. (2) Section 63-103.2s.(2)(MR) shall become inoperative and Section 63-103.2s.(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) SAWS 2A CA2/DFA 285-A2/MC210 (rev. 5/92) - Important Information for Applicants and Recipients for Cash Aid, Food Stamps, and Medical Assistance (Continued)

- (QR) SAWS 2A QR (rev. 8/03) - Rights, Responsibilities and Other Important Information

SAWS 2A QR is a CDSS-required form, and no substitutes are permitted. The form is used to inform applicants for cash aid, food stamps, and medical assistance of important information, including their rights and responsibilities. (Continued)

- t. (1) Section 63-102.2t.(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) TEMP QR 1 (rev. 8/03) - New Reporting Requirements for CalWORKs and Food Stamp Recipients

TEMP QR 1 is a CDSS-required form, and no substitutes are permitted. The form serves as an informing notice sent to recipients on a monthly basis for a period of three months before, and three months after, implementation of QR. The TEMP QR 1 should also be provided to applicants who apply for benefits during this phase. The TEMP QR 1 explains the change from monthly reporting to QR.
(Continued)

Authority Cited: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 18904, 11265.1, .2, and .3, and 18910, Welfare and Institutions Code; 7 CFR 273.2(b)(ii); U.S.D.A. Food and Consumer Services Administrative Notice No. 94-22, dated January 7, 1994; and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

1. Amend Section 63-300 to read:
2. 15-Day Renote: Amend Section 63-300 to read:

63-300 APPLICATION PROCESS (Continued)

63-300

.2 Application Form and Form Deviation

Section 63-300.2(MR) shall become inoperative and Section 63-300.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) All applications for Food Stamp Program eligibility shall be made on the DFA 285-A1, DFA 285-A2, and DFA 285-A3. For households which apply for both AFDC and Food Stamps at the same time, the SAWS 1 CA1/DFA 285-A1, and BC JA 2 CA2/DFA 285-A2, and SAWS 2A CA2/DFA 285-A2/MC 210 shall be used. These forms also may be used for Food Stamp only cases. These joint application forms also may be used for food stamp and/or General Assistance (GA) cases.

(QR) All applications for Food Stamp Program eligibility shall be made on the DFA 285-A1, DFA 285-A2, and DFA 285-A3 QR. For households which apply for both CalWORKs and food stamps at the same time, the SAWS 1 CA1/DFA 285-A1, and BC JA 2 CA2/DFA 285-A2, and SAWS 2A QR/DFA 285-A2/MC 210 shall be used. These joint application forms also may be used for food stamp only cases and/or General Assistance (GA) cases. (Continued)

.24 Section 63-300.24(MR) shall become inoperative and Section 63-300.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Recertification of Monthly Reporting Households

Households subject to Food Stamp monthly reporting requirements shall have their Food Stamp eligibility redetermined by using the forms specified in Section 63-300.2 and the CA 7 for the budget month that corresponds to the first month of the new certification period.

(QR) Recertification of Quarterly Reporting Households

(QR) Households subject to food stamp QR requirements shall have their food stamp eligibility redetermined by using the forms specified in Section 63-300.2 and the QR 7 for the Submit Data Month that of the quarter corresponding to the last month of the certification period.

.25 Section 63-300.25(MR) shall become inoperative and Section 63-300.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Recertification of Nonmonthly Reporting Households

(MR) Nonmonthly reporting households shall have their Food Stamp eligibility redetermined by using the forms specified in Section 63-300.2.

(QR) Recertification of Change Reporting Households

(QR) Change reporting households shall have their food stamp eligibility redetermined by using the forms specified in Section 63-300.2.
(Continued)

.4 (Continued)

.41 Sections 63-300.41 et seq.(MR) shall become inoperative and Sections 63-300.41 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD at the time of the interview, shall determine which households shall be subject to monthly reporting and/or retrospective budgeting, as specified in Section 63-505.2. Households subject to monthly reporting and/or retrospective budgeting requirements shall be provided with the following at the certification and recertification interviews:

(MR) .411 Written and verbal explanations of monthly reporting/retrospective budgeting;

(MR) .412 A copy of the CA 7 report and an explanation of how the report shall be completed and submitted;

(MR) .413 An explanation of the monthly reporting verification requirements that the household is responsible for meeting;

(MR) .414 A telephone number (toll-free or a number where collect calls will be accepted from households living outside the local calling area) which the household may call to ask questions or to obtain help in completing the monthly report.

(QR) The CWD at the time of the interview, shall determine which households shall be subject to QR and PB, as specified in Section 63-505.2. Households subject to QR and PB requirements shall be provided with the following at the certification and recertification interviews:

(QR) .411 Written and verbal explanations of QR/PB;

(QR) .412 A copy of the QR 7 report and an explanation of how the report shall be completed and submitted;

(QR) .413 An explanation of the QR verification requirements that the household is responsible for meeting;

(QR) .414 A telephone number (toll-free or a number where collect calls will be accepted from households living outside the local calling area) which the household may call to ask questions or to obtain help in completing the quarterly report. (Continued)

.5 (Continued)

(d) Section 63-300.5(d)(MR) shall become inoperative and Section 63-300.5(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the expense cannot be verified within 30 days of the date of application, the CWD shall determine the household's eligibility and benefit level without providing a deduction for the unverified expense. If the household subsequently provides the missing verification, the CWD shall redetermine the household's benefits, and provide increased benefits, if any, in accordance with the timeliness standards in Section 63-504.35 for monthly reporting households and Section 63-504.42 for nonmonthly reporting households.

The household shall be entitled to the restoration retroactive to the month of application of benefits denied as a result of the disallowance of the expense, only if the expense could not be verified within the 30-day processing standard because the CWD failed to allow the household sufficient time, as defined in Section 63-301.4, to verify the expense. If the household would be ineligible unless the expense is allowed, the household's application shall be handled as provided in Section 63-301.4.

For verification requirements for the CA 7, refer to Sections 63-504.325, .326 and .341.

- (QR) If the expense cannot be verified within 30 days of the date of application, the CWD shall determine the household's eligibility and benefit level without providing a deduction for the unverified expense. If the household subsequently provides the missing verification, the CWD shall redetermine the household's benefits, and provide increased benefits, if any, in accordance with the timeliness standards in Section 63-508.66 for QR households and Section 63-504.42 for change reporting households.

The household shall be entitled to the restoration retroactive to the month of application of benefits denied as a result of the disallowance of the expense, only if the expense could not be verified within the 30-day processing standard because the CWD failed to allow the household sufficient time, as defined in Section 63-301.4, to verify the expense. If the household would be ineligible unless the expense is allowed, the household's application shall be handled as provided in Section 63-301.4.

For verification requirements for the QR 7, refer to Sections 63-508.45 and 63-508.613. (Continued)

.6 (Continued)

.62 (Continued)

.623 Section 63-300.623(MR) shall become inoperative and Section 63-300.623(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A CWD which receives monthly income reports and other requested documents which have been mailed by the applicant or recipient shall not be subject to the requirements in this section.

(QR) A CWD which receives quarterly income/eligibility reports and other requested documents which have been mailed by the applicant or recipient shall not be subject to the requirements in this section.

Authority Cited: Sections 10554, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11023.5, 11265.1, .2, and .3, 11348.5, 18904, 18910, and 18932, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 273.2(b)(ii), (c)(2)(i) and (ii), (c)(3), (c)(5), (e)(1), (e)(2), (e)(3), (f)(1)(i)(C), (ii)(B)(1), (2), (3), and (C), and (iii)(h)(1)(i)(D), and proposed (f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(3), (f)(3)(ii), (f)(8), (h), (h)(1)(i)(D), and (j)(1); 7 CFR 273.4(a)(2) and (10) and (c)(2); 7 CFR 273.7(i)(4) and (j)(1); 7 CFR 273.12(c) and (c)(3); 7 CFR 273.14(b)(3)(i), (iii) and (b)(4) and (e); 7 CFR 273.21(h)(2)(iv), (i), and (j)(3)(iii)(B); USDA Food and Nutrition Service Office, Western Region, Administrative Notice 84-56, Indexed Policy Memo 84-23; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver dated April 1, 2003; 7 U.S.C.A. 2020(e)(2); Americans with Disabilities Act (ADA), Public Law (P.L.) 101-336, 1990; U.S.D.A., Food and Consumer Services, Administrative Notice No. 94-22, dated January 7, 1994; Chapter 306, Statutes of 1988, and AB 1371, Chapter 306, Statutes of 1995; Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

Amend Section 63-301 to read:

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued) 63-301

.5 Expedited Service (Continued)

.54 Special Procedures for Expediting Service

.544 (Continued)

(a) One-Month Certification

Section 63-301.544(a)(MR) shall become inoperative and Section 63-301.544(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly reporting households that apply on or before the 15th day of the calendar or fiscal month shall be certified for one month only. (Continued)

(QR) Change reporting households that apply on or before the 15th day of the calendar or fiscal month shall be certified for one month only.

(b) Longer Than One-Month Certification

(1) Section 63-301.544(b)(1)(MR) shall become inoperative and Section 63-301.544(b)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly reporting households applying after the 15th day of the calendar or fiscal month shall be certified only for the month of application, and the subsequent month.

(QR) Change reporting households applying after the 15th day of the calendar or fiscal month shall be certified only for the month of application, and the subsequent month.

(2) Section 63-301.544(b)(2)(MR) shall become inoperative and Section 63-301.544(b)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly reporting households shall be assigned a normal certification period as specified in Section 63-504.1.

(QR) QR households shall be assigned a normal certification period as specified in Section 63-504.1.

.7 (Continued)

.71 Section 63-301.71(MR) shall become inoperative and Section 63-301.71(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Households subject to retrospective budgeting that have been suspended for PA purposes or that receive zero benefits.

(QR) Households subject to QR that receive zero benefits. (Continued)

.74 (Continued)

.742 Section 63-301.742(MR) shall become inoperative and Section 63-301.742(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The household fails to comply with the monthly reporting requirements specified in Section 63-504.32, and Sections 63-505.2, .3, and .4;

(QR) The household fails to comply with the QR requirements specified in Sections 63-508.4 and .613; (Continued)

.75 (Continued)

Authority Cited: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code.

Reference:

Sections 10554, 11265.1, .2, and .3, 18901, 18904, and 18910, Welfare and Institutions Code; Section 11349.1, Government Code; 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.2(d)(1), (e)(3), (h)(1)(C), (h)(1)(i)(B) and (D), (h)(2)(i)(A), (i)(4)(iii)(B), (j), (j)(1), (j)(1)(iv), (j)(2)(iii) and (iv), (j)(3), (j)(4), and (j)(4)(vi); 7 CFR 273.4; 7 CFR 273.7 and .7(g)(1)(i); 7 CFR 273.8(e)(17); 7 CFR 273.9(d)(7) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.10(c)(1) and (g)(1)(ii); 7 CFR 274.2; (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) [Dock. No. CV-89-0768].); Public Law (P.L.) 102-237, Sections 902 and 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992; USDA, Food and Consumer Service, Administrative Notice 97-105, dated August 21, 1997; and P.L. 104-193, Sections 815 and 838 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Food and Consumer Service Waiver dated May 24, 1996; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver dated April 1, 2003; Federal Food Stamp Policy Memos 82-9 dated December 8, 1981, and 88-4 dated November 13, 1987, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

1. Amend Section 63-410 to read:
2. Post-Hearing: Amend Section 63-410 to read:

63-410 FOOD STAMP WORK REQUIREMENT FOR ABLE-BODIED 63-410
ADULTS WITHOUT DEPENDENTS (ABAWD) (Continued)

.2 (Continued)

.21 The ABAWD work requirement is fulfilled by performing one of the following:

.211 Working 20 hours or more per week (averaged monthly);

- (a) The food stamp recipient shall submit documentation verifying the number of hours worked.

Section 63-410.211(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) (1) A food stamp recipient who is satisfying the ABAWD work requirement through employment must report within 10 days when hours of work drop to below 20 hours per week or 80 hours per month. This mandatory recipient mid-quarter reporting requirement does not apply to persons who meet one of the exemptions at Section 63-410.3 or live in a county with an approved ABAWD waiver. Persons who are satisfying the ABAWD work requirement through a combination of education/training and employment of less than 20 hours per week are not subject to the mid-quarter requirement when hours of employment are reduced. (Continued)

.3 (Continued)

.36 (Continued)

Section 63-410.37(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) .37 Ending Exemptions for Quarterly Reporting and Change Reporting Households

(QR) .371 For a quarterly reporting household, if an ABAWD's exemption stops mid-quarter due to a change in circumstances that must be reported as specified in MPP Section 63-505.3, the ABAWD shall report the change on the next quarterly report and be considered exempt for the remainder of the quarter.

(QR) .372 For a change reporting household, if an ABAWD is no longer eligible for an exemption due to a change that must be reported in accordance with MPP Section 63-505.5, the individual shall report the change within ten days of occurrence and the exemption shall stop when the change is reported.

(QR) .373 For an individual who no longer meets ABAWD exemption criteria as the result of a change not subject to QR or change reporting requirements, the individual's exemption status shall be reevaluated at recertification.

.4 (Continued)

.6 Section 63-410.6(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Treatment of ABAWD Months for Quarterly Reporting

(QR) .61 A county shall take a county-initiated mid-quarter action to discontinue a case whenever an ABAWD uses up three out of 36 months. A county-initiated action shall also be taken when an ABAWD's three consecutive-month period identified in Section 63-410.52 is completed and to an ABAWD who has regained eligibility and subsequently stops meeting the work requirement.

Authority Cited: Sections 10553, 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 U.S.C. 2015(d) and (o); instructions received from Dennis Stewart, Regional Director of the Food Stamp Program, Food and Nutrition Service (FNS) dated April 21, 1998, 7 CFR 273.7(f); 7 CFR 273.13; 7 CFR 273.24(b), (c), (e), and (g); 45 CFR 400.154; and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver dated April 1, 2003.

.3 (Continued)

(m) (Continued)

(2) Section 63-501.3(m)(2)(MR) shall become inoperative and Section 63-501.3(m)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Any federal, state or local EITC payment received by any household member shall be excluded for 12 months, provided the household was participating in the Food Stamp Program at the time of receipt of the earned income tax credit and provided the household participates continuously during that 12-month period. Continuous participation includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late CA 7s.

(QR) Any federal, state or local EITC payment received by any household member shall be excluded for 12 months, provided the household was participating in the Food Stamp Program at the time of receipt of the earned income tax credit and provided the household participates continuously during that 12-month period. Continuous participation includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late QR 7s. (Continued)

Authority Cited: Sections 10553, 10554, 11209, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11265.1, .2, and .3, 18901, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 272.8(e)(17); 7 CFR 273.2(j)(4); 7 CFR 273.8; 7 CFR 273.8(e)(11), (12)(ii), and (18); 7 CFR 273.8(f) and (h); Public Law (P.L.) 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 101-201; P.L. 101-426, Section 6(h)(2), as specified in United States Department of Agriculture (U.S.D.A.), Food and Nutrition Service (FNS), Administrative Notice (AN) 91-37; P.L. 101-508, Section 11111(b); P.L. 101-624, Section 1715; P.L. 102-237, Section 905, as specified in

Federal Administrative Notice 92-12, dated January 9, 1992; Section 2466d., Title 20, United States Code (U.S.C.); 7 U.S.C. 2014(d) and (g)(2)(D); 26 U.S.C. 32(j)(5); 42 U.S.C.A. 5122 as amended by P.L. 100-707, Section 105(i); U.S.D.A., FNS, ANs 91-30 and 94-39; Index Policy Memo 90-22, dated July 12, 1990; U.S.D.A., FNS, AN 94-58, dated July 5, 1994; P.L. 104-193, Sections 810 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

1. Amend Section 63-503 to read:
2. Post Hearing: Amend Section 63-503 to read:
3. 15-Day Renote: Amend Section 63-503 to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY
AND BENEFIT LEVELS

63-503

.1 Month of Application (Continued)

.14 Section 63-503.14(MR) shall become inoperative and Section 63-501.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Because of reported, estimated or anticipated changes, a household may be eligible for the month of application, but ineligible in the subsequent month. The household shall be entitled to benefits for the month of application even if the processing of its application results in the benefits being issued in the subsequent month. (See Sections 63-504.1 for certification periods and Section 63-504.2 for notice requirements.) Similarly, a household may be ineligible for the month of application, but eligible in the subsequent month due to reported, estimated or anticipated changes in circumstances. Even though denied for the month of application, the household does not have to reapply in the subsequent month. The same application shall be used for the denial for the month of application, and for the determination of eligibility for subsequent months, within the timeliness standards in Section 63-301.1.

(QR) Determination of benefits in a change reporting household, based on reported, estimated or anticipated changes, may result in a household being eligible for the month of application, but ineligible in the subsequent month. The household shall be entitled to benefits for the month of application even if the processing of its application results in the benefits being issued in the subsequent month. (See Sections 63-504.1 for certification periods and Section 63-504.2 for notice requirements.) Similarly, a household may be ineligible for the month of application, but eligible in the subsequent month due to reported, estimated or anticipated changes in circumstances. Even though denied for the month of application, the household does not have to reapply in the subsequent month. The same application shall be used for the denial for the month of application, and for the determination of eligibility for subsequent months, within the timeliness standards in Section 63-301.1.

.141 Section 63-503.141(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Determination of benefits in a QR/PB household is also based upon reported, estimated and/or anticipated income over the QR Payment Quarter. The household shall be entitled to benefits if otherwise eligible in accordance with Sections 63-508 and 63-509.

.15 Section 63-503.15(MR) shall become inoperative and Section 63-501.15(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) As a result of reported, estimated or anticipated changes, the household's allotment for the month of application may differ from its allotment in subsequent months. The household's allotment shall vary from month to month to reflect actual changes reported during the certification period or those changes anticipated at the time of certification unless the averaging techniques in Sections 63-504.411(b), .242(c) or .252 are used. The CWD shall establish the household's certification period in accordance with Section 63-504.1.

(QR) As a result of reported, estimated or anticipated changes in a change reporting household, the household's allotment for the month of application may differ from its allotment in subsequent months. The household's allotment shall vary from month to month to reflect actual changes reported during the certification period or those changes anticipated at the time of certification unless the averaging techniques in Sections 63-504..242(c), .252 or .411(b) are used. The CWD shall establish the household's certification period in accordance with Section 63-504.1.

.151 Section 63-503.151(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) As a result of reported, ~~estimated~~ or anticipated changes in a QR household, the household's allotment for the month of application may differ from its allotment in subsequent months. The household's allotment may vary ~~from month to month~~ within the quarter to reflect changes reported during the QR Payment Quarter ~~or those changes anticipated at the time of certification unless~~. ~~†The averaging techniques in Sections 63-509(a)(4), (a)(5) and (a)(6) are used to determine income in a quarter.~~ The CWD shall establish the household's certification period in accordance with

Section 63-504.1. ~~The CWD may match certification periods with QR reporting cycles.~~ (Continued)

.2 Determining Resources, Income and Deductions

Sections 63-503.21 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) .21 Prospective Budgeting in the Beginning Months for Households Who Shall be Subject to Retrospective Budgeting (Continued)

(MR) .211 Determining Resources

(MR) Except for households determined to be categorically eligible as specified in Sections 63-301.7 and .82, the household's resources at the time of the interview shall be used to determine the household's eligibility, in accordance with Sections 63-501 and 63-409.12.

(MR) .212 Determining Income

(MR) The CWD shall determine food stamp eligibility according to the household's gross and/or net income as specified in Section 63-503.32. The CWD, in determining the household's eligibility, shall determine what sources are exempt from consideration as income per Section 63-502.14 and Section 63-502.2. If an applicant household is destitute, as defined in Section 63-503.43, the CWD shall compute its gross income in accordance with Section 63-503.434.

(MR) (a) Actual Income

(MR) For purposes of determining the household's eligibility and level of benefits during the beginning months, the CWD shall take into account the actual income already received by the household during the month of application and any anticipated income the CWD and the household are reasonably certain will be received during the remaining beginning months. Income shall not be counted if its receipt is uncertain. If the exact amount of anticipated income is uncertain only that portion which can be anticipated with reasonable certainty shall be counted as income. In cases where the receipt of income is reasonably certain but the monthly amount may fluctuate, the household may elect to income average, as provided in Section 63-503.212(b).

HANDBOOK BEGINS HERE

(MR) (1) The following are examples of how to determine anticipated income:

(MR) (A) The anticipated receipt of an initial PA/GA payment is counted in determining eligibility only if the PA/GA payment has been approved and authorized and will be issued within the month.

(MR) (B) The anticipated receipt of earned income, such as income from a new job, will only be counted if it can be determined with reasonable certainty that a specific amount of earnings will be received within the month, e.g., the person is currently employed or will be employed during the month and the pay day(s) is within the month.

(MR) (C) The anticipated receipt of other income, such as unemployment insurance benefits, will only be counted if it can be verified that benefits will be received within the month, e.g., award letter indicates the payment amount and that it can be expected by or on a specified date and that date falls within the month.

HANDBOOK ENDS HERE

(MR) (b) Averaging Income

Households subject to retrospective budgeting shall not have their income averaged, even if their income fluctuates from month to month, except as provided below:

(MR) (1) Self-employment income received less often than monthly. Households which derive their annual income in a period of time shorter than one year shall have that income averaged over a 12-month period.

(MR) (2) Nonexcluded scholarship, deferred educational loan, and educational grant income received by households less often than monthly. Such income, after exclusions, shall be averaged over the period it is intended to cover and shall not be prospectively counted in the beginning months for retrospectively budgeted households.

(MR) (3) Contract income received by households which derive their annual income in a period of time shorter than one year. Such income shall be averaged over the period it is intended to cover, provided the income from the contract is not earned on an hourly or piece-work basis. Such income shall not be prospectively counted in the beginning months for retrospectively budgeted households.

(MR) (c) Income Only in the Month Received

(MR) (1) Income anticipated during the beginning months shall be counted as income only in the month it is expected to be received, unless the income is averaged. Whenever a full month's income is anticipated but is received on a weekly or biweekly basis, the CWD shall use the exact monthly amount whenever possible. If the exact amount is not available, the CWD shall use the amount which is reasonably certain to be received in accordance with Section 63-503.212(a).

(MR) (2) Wages held at the request of the employee shall be considered income to the household in the month the wages would otherwise have been paid by the employer. Wages held by the employer, as a general practice, even if in violation of the law, shall not be counted as income to the household. If the household anticipates that it will ask for and receive an advance, the advance shall be counted as income. Income from wages that were previously held by the employer as a general practice and not previously counted as income by the CWD shall be counted as income in the month received. Advances on wages shall count as income in the month received only if the CWD is reasonably certain of its receipt, in accordance with Section 63-503.212(a).

- (MR) (3) The CWD shall budget stable earned and unearned income which is received on a regular basis as a single monthly payment for the month such income is intended to cover. Households receiving such income shall not have their monthly income varied merely because mailing or payment cycles may cause two payments to be received in one month and none in the next month.

Sections 63-503.22 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) .22 Transitioning Households from Prospective to Retrospective Budgeting

A household's benefit level shall be computed prospectively during the beginning months of the household's certification period by considering all factors of eligibility. The prospective determination of eligibility and benefit level shall be based on the income and other circumstances that the CWD is reasonably certain will exist for that household during the beginning months as specified in Section 63-503.212(a).

- (MR) .221 If the household has two beginning months, when the CWD receives the household's first CA 7 during the second beginning month, the CWD shall continue to prospectively determine the household's eligibility, but the CWD shall issue benefits retrospectively for month three based on the actual information reported on the CA 7 for month one except as specified in Section 63-503.232(c).

- (MR) .222 If the household has three beginning months, when the CWD receives the household's second CA 7 during the third beginning month, the CWD shall continue to prospectively determine the household's eligibility. The CWD shall commence issuing benefits retrospectively for month four based on the actual information reported on the CA 7 for month two, except as specified in Section 63-503.232(c).

Sections 63-503.23 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) .23 Households Subject to Retrospective Budgeting After the Beginning Months

(MR) .231 Prospective Eligibility

The CWD shall continue to prospectively determine Food Stamp eligibility after the beginning months. The prospective eligibility determination determines whether or not a household continues to be eligible for benefits, and does not determine what benefit level a household is entitled to receive. A household is neither eligible for a restoration of benefits, nor shall a claim be established against a household for an inaccurate estimate of a household's prospective eligibility. Categorically eligible households shall be considered eligible for food stamps because of their status as PA recipients. The prospective eligibility determination for other households shall be made as follows.

(MR) (a) Determining Resources

Each month any reported changes in the household's resources shall be used in conjunction with the resources at the time of the interview to determine the household's prospective eligibility, in accordance with Sections 63-501 and 63-409.12.

(MR) (b) Determining Income

When the household's benefits are retrospectively budgeted, the CWD shall continue to prospectively determine food stamp eligibility according to the household's gross and/or net income as specified in Section 63-503.32. The CWD, in determining the household's prospective eligibility shall consider the household's actual reported budget month income or income that has been averaged for the budget month and anticipated income changes in the issuance month. For this actual, averaged, and anticipated income, the CWD shall determine what sources are exempt from consideration as income, per Sections 63-502.14 and 63-502.2.

(MR) (c) Household Composition

The CWD shall determine food stamp eligibility using the household's composition during the issuance month.

(MR) .232 Retrospective Budgeting

The CWD shall use the following income to retrospectively budget the household's level of benefits.

(MR) (a) Actual Income

For purposes of determining the household's level of benefits for the issuance month, the CWD shall take into account the household's actual reported income for the budget month, except for child/spousal support disregard payments, which shall be based on the CWD information.

(MR) (b) Averaged Income

For purposes of determining the household's level of benefits for the issuance month, the CWD shall take into account any income that has been averaged for the household for the budget month.

(MR) (1) Self-employment income received less often than monthly. Households which derive their annual income in a period of time shorter than one year shall have that income averaged over a 12-month period.

(MR) (2) Nonexcluded scholarship, deferred educational loan, and educational grant income as specified in Section 63-503.212(b)(2). Such income shall not effect more benefit months than the number of months in the period over which it is averaged.

(MR) (3) Contract income as specified in Section 63-503.212(b)(3). Such income shall not effect more benefit months than the number of months in the period over which it is averaged.

(MR) (c) Income Only in the Month Received

When determining the household's level of benefits for the issuance month, the CWD shall count as income only that amount actually received by the household in the budget month, except as provided below:

(MR) (1) Income that has been averaged, in accordance with Section 63-503.212(b).

(MR) (2) The CWD shall budget stable earned and unearned income which is received on a regular basis as a single monthly payment for the month such income

is intended to cover. Households receiving such income shall not have their monthly income varied merely because mailing or payment cycles may cause two payments to be received in one month and none in the next month.

- (MR) (3) A GA/GR payment, covering a period which begins in the current month and ends in a future month, received in the current month is counted as income in the current month.

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- (MR) (A) For example, a GA/GR payment received in June which is intended to cover the last two weeks in June and the first two weeks in July is counted as income for June.

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- (MR) (4) Wages held at the request of the employee shall be considered income to the household in the month the wages would otherwise have been paid by the employer.

- (MR) (5) All AFDC, GA/GR, RCA, and ECA payments (initial, regular monthly, and additional/corrective) for the issuance month shall be anticipated with reasonable certainty, as defined in Section 63-503.212(a). The CWD shall ensure that any additional/corrective payments to the regular grant received in and for the issuance month are counted prospectively.

- (MR) (A) Federally funded AFDC additional/corrective payments that the CWD could not anticipate with reasonable certainty or did not have time to budget prospectively shall be budgeted retrospectively.

- (MR) (B) State-only AFDC, GA/GR, RCA, and ECA payments that the CWD could not anticipate with reasonable certainty or did not have time to budget prospectively shall not be budgeted retrospectively.

(MR) (C) Repealed by Manual Letter No. FS-91-10, effective 12/1/91.

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(MR) (D) The following case situations illustrate the distinction between an additional/corrective payment and a regular monthly payment:

(MR) 1. Example 1:

An ongoing Food Stamp household reported the birth of a child in March. As a result, the CWD issued two supplemental PA payments in April, the first for prorated March benefits, the second for April benefits, and added the child to the Food Stamp household effective April 1.

The prorated supplement for March benefits would be considered a nonrecurring lump sum payment because it is a retroactive payment for a previous month and is counted as a resource in April. The supplemental PA payment received in and for the month of April would be considered an additional/corrective payment which would be budgeted retrospectively for the June issuance month.

(MR) 2. Example 2:

An ongoing Food Stamp household filed a March CA 7 (Rev. 1) which caused the CWD to reduce the May PA grant amount to \$0. The CWD used \$0 income to compute the Food Stamp benefit level for the issuance month of May. Subsequent to this action, the CWD discovers that an error was made in the determination

of the Food Stamp household's PA grant and recomputes the PA budget to an appropriate grant amount of \$400.

The \$400 would be considered a regular monthly PA payment. This is because no other grant amount for the issuance month had been established and paid. Therefore, the amount issued would be considered a regular monthly PA payment. However, if the CWD had established and actually paid a grant amount (e.g., \$50), any adjustment to this amount would be considered an additional/corrective payment amount and budgeted retrospectively regardless of how the additional/corrective payment was issued (i.e., one check, two checks, etc.).

(MR) 3. Example 3:

An ongoing Food Stamp household filed a March CA 7 (Rev. 1) which resulted in a determination that the monthly PA grant would decrease from \$400 to \$50 for May. The \$50 PA grant level was used to determine the food stamp benefits for the issuance month of May. Subsequently, the Food Stamp household filed an administrative appeal and received aid paid pending (APP) in the amount of \$400.

In this instance, the \$350 (\$400-\$50) would not be budgeted retrospectively as an additional/corrective payment. This is because APP is required by state administrative appeals procedures. The \$350 + \$50 would be considered a regular monthly payment under the

requirements of the partial settlement agreement.

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(MR) (d) Discontinued Income

For the purposes of this section, discontinued income is any income that a household received in a budget month from a source that no longer provides income to the household, except when the income has been discontinued due to participation in a strike or, a household member other than the primary wage earner voluntarily quits a job without good cause in accordance with Section 63-408.4.

(MR) (1) In a Beginning Month

Discontinued income which was included in the household's prospective budget shall be disregarded when the beginning month becomes the budget month.

(MR) (2) After the Beginning Months

For households receiving AFDC, GA/GR, RCA, or ECA payments in the issuance month, discontinued income from the corresponding budget month shall be disregarded provided:

(MR) (A) The household has reported the termination of the income on the CA 7 for the budget month or in some other manner,

(MR) (B) The CWD has sufficient time to process the change and affect the allotment in the issuance month corresponding to the budget month in which the income stopped, and

(MR) (C) The AFDC, GA/GR, RCA, or ECA payments are increased as a result of the termination of the income.

.24 Section 63-503.24(MR) shall become inoperative and Section 63-503.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determining the Eligibility and Benefit Level of Households Excluded from Retrospective Budgeting (Continued)

(QR) Determining the Eligibility and Benefit Level of Households Excluded from QR/PB. (Continued)

.242 Determining Income (Continued)

(b) Income Only in the Month Received

(1) Section 63-503.242(b)(1)(MR) shall become inoperative and Section 63-503.242(b)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. The CWD shall use the exact monthly figure if it can be anticipated. Whenever a full month's income is anticipated but is received on a weekly or biweekly basis, the CWD shall convert the income to a monthly amount by multiplying weekly amounts by 4.3 and biweekly amounts by 2.15 if the exact amount is not known.

(QR) Income reasonably anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. The CWD shall use the exact monthly figure if it can be reasonably anticipated. For change reporting households, whenever a full month's income is anticipated but is received on a weekly or biweekly basis, the CWD shall convert the income to a monthly amount by multiplying weekly amounts by 4.33 and biweekly amounts by 2.167 if the exact amount is not known. For QR households, Whenever a full month's income is anticipated but is received on a weekly or biweekly basis and will remain the same throughout the QR

Payment Quarter, the CWD shall convert the income to a monthly amount by multiplying weekly amounts by 4.33 and biweekly amounts by 2.167, if ~~the exact amount is not known as provided in~~ Section 63-509(a)(5). (Continued)

- .25 Section 63-503.25(MR) shall become inoperative and Section 63-503.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determining Deductions for All Households

Deductible expenses include only certain medical, dependent care, shelter costs, and child support as specified in Section 63-502.3.

(QR) Determining Deductions for Change Reporting and QR/PB Households

Deductible expenses include only certain medical, dependent care, shelter costs, and child support as specified in Section 63-502.3. Treatment of deductions for households subject to QR/PB are specified in Sections 63-509(a)(3), (a)(3)(A), (a)(3)(B), and (a)(3)(C). (Continued)

.252 Averaging Expenses (Continued)

- (c) Section 63-503.252(c)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) For retrospectively budgeted households, the CWD shall budget deductible expenses or payments for the child support deduction averaged over two or more months retrospectively, except medical expenses, provided that such deductions are not budgeted over more months than they are intended to cover, and the total amount deducted does not exceed the total amount of the expenses. Medical expenses shall be budgeted prospectively. The CWD shall continue to allow deductions for expenses incurred or payments made for the child support deduction even if billed on other than a monthly basis unless the household reports a change in the expense. At that time, it shall be recalculated.

.253 Anticipating/Estimating Expenses (Continued)

(b) Other Expenses

Section 63-503.253(b)(MR) shall become inoperative and Section 63-503.253(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) The CWD shall calculate a nonmonthly reporting household's expenses based on the expenses the household expects to be billed for or based on the payments expected to be made for the child support deduction during the certification period. Anticipation of the expenses or payments for the child support deduction shall be based on the most recent month's bills or payments for the child support deduction, unless the household is reasonably certain a change will occur. When the household is not claiming the standard utility allowance, the CWD may anticipate changes during the certification period based on last year's bills from the same period updated by overall price increases; or, if only the most recent bill is available, utility cost increases or decreases over the months of the certification period may be based on utility company estimates for the type of dwelling and utilities used by the household. The CWD shall not average past expenses, such as utility bills for the last several months, as a method of anticipating utility costs for the certification period.
- (QR) The CWD shall calculate a change reporting household's expenses based on the expenses the household expects to be billed for or based on the payments expected to be made for the child support deduction during the certification period. Anticipation of the expenses or payments for the child support deduction shall be based on the most recent month's bills or payments for the child support deduction, unless the household is reasonably certain a change will occur. When the household is not claiming the standard utility allowance, the CWD may anticipate changes during the certification period based on last year's bills from the same period updated by overall certification period may be based on utility company estimates for the type of dwelling and utilities used by the household. The CWD shall not average past expenses, such as utility bills for the last several months, as a method of anticipating utility costs for the certification period.

Section 63-503.253(c)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) (c) Expenses In the Beginning Months (Continued)

.254 Section 63-503.254(MR) shall become inoperative and Section 63-503.254(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Disallowed expenses. The following expenses are not deductible:
(Continued)

(QR) Disallowed expenses. The following expenses are not deductible for change reporting households and QR/PB households:
(Continued)

.255 Section 63-503.255(MR) shall become inoperative and Section 63-503.255(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For nonmonthly reporting households the income conversion procedures of Section 63-503.242(b)(1) shall also apply to expenses billed on a weekly or biweekly basis.

(QR) For change reporting and QR households, the income conversion procedures of Section 63-503.242(b)(1) shall also apply to expenses billed on a weekly or biweekly basis.

.3 Calculating Net Income and Benefit Levels

.31 Net Monthly Income

.311 Section 63-503.311(MR) shall become inoperative and Section 63-503.311(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) To determine a household's net monthly income, unless the household contains a member who is elderly or disabled as defined in Section 63-102(c), the CWD shall:

(QR) To determine a change reporting household's net monthly income, unless the household contains a member who is elderly or disabled as defined in Section 63-102(c), the CWD shall follow the steps listed below. For QR/PB households the steps listed below shall be followed after income is averaged over the QR/PB Payment Quarter as specified in Section 63-509(a)(4). (Continued)

.312 Section 63-503.312(MR) shall become inoperative and Section 63-503.312(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) To determine the net monthly income of a household that includes a member who is elderly or disabled as defined in Section 63-102(e) the CWD shall:

(QR) To determine the net monthly income of a change reporting household that includes a member who is elderly or disabled as defined in Section 63-102(e), the CWD shall follow the steps listed below. For QR/PB households, the steps listed below shall be followed after income is averaged over the QR/PB Payment Quarter as specified in Section 63-509(a)(4). (Continued)

.32 Eligibility and Benefits

.321 (Continued)

Sections 63-503.321 et seq.(MR) shall become inoperative and Section 63-503.321 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) (a) For households which are subject to monthly reporting, the CWD shall apply the gross and net monthly income eligibility standards each month during the household's certification period. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the issuance month. This determination shall be based on the information reported on and submitted with the household's most recent CA 7. The CWD shall also consider information which the household reports outside of the normal monthly reporting system.

- (MR) (1) If the household's gross and net monthly income does not exceed the standards the CWD shall issue benefits, in accordance with Section 63-503.22.
- (MR) (2) If the household's gross or net monthly income exceeds the standards, the CWD shall either deny the application or terminate; or suspend the household's benefits in accordance with Section 63-504.37.
- (MR) (b) For migrant farmworker households, the CWD shall deny the application if the household's gross and/or net monthly income exceeds the standards.
- (QR) (a) For food stamp households which are subject to QR, the CWD shall apply the gross and net monthly income eligibility standards to the averaged QR/PB Payment Quarter's income during the certification period. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the QR Payment Quarter. This determination shall be based on the information reported on and submitted with the household's most recent QR 7. The CWD shall also consider information which the household reports outside of the normal QR system. (Continued)

.322 (Continued)

Section 63-503.322(a)(MR) shall become inoperative and Section 63-503.322(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) (a) For households which are subject to monthly reporting, the CWD shall apply the net monthly income eligibility standards each month during the household's certification period, except as specified in Sections 63-301.7 and .82. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the next issuance month. This determination shall be based on the information reported on and submitted with the most recent CA 7. The CWD shall also consider information which the household reports outside of the normal monthly reporting system.

- (MR) (1) If the household's net monthly income does not exceed the standard, the CWD shall issue benefits in accordance with Section 63-503.22.
- (MR) (2) If the household's net monthly income exceeds the standard, the CWD shall either deny the application or terminate; or suspend the household's benefits in accordance with Section 63-504.37.
- (MR) (b) For migrant farmworker households, the CWD shall deny the application if the household's net monthly income exceeds the standard.
- (QR) (a) For households which are subject to QR, the CWD shall apply the gross and net monthly income tests to income averaged over the QR Payment Quarter. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the next QR Payment Quarter or remaining months in the quarter.
- (QR) (1) If the household's net quarterly averaged income does not exceed the standard, the CWD shall issue benefits in accordance with Section 63-503.22.
- (QR) (2) If the household's net quarterly averaged income exceeds the standard, the CWD shall deny the application or terminate benefits at the end of the quarter. If CalWORKs benefits are terminated mid-quarter based on income in excess of the IRT and income exceeds the household's standards, a mid-quarter action shall be taken to deny or terminate benefits and Transitional Food Stamp Benefits must be issued in accordance with Section 63-504.13.
- .324 Section 63-503.324(MR) shall become inoperative and Section 63-503.324(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The household's monthly allotment shall be determined from the Coupon Allotment Tables on the basis of household size and net income. The counties shall issue food stamp coupons pursuant to the coupon allotment tables as promulgated and updated by the

USDA. The SDSS shall provide the updated coupon allotment tables, which are to be implemented upon their effective date. Refer to Handbook Section 63-1101 for the most recent coupon allotment tables and their effective date.

- (QR) Change reporting and QR/PB household's monthly allotment shall be determined from the Coupon Allotment Tables on the basis of household size and net income. The counties shall issue food stamp benefits pursuant to the coupon allotment tables as promulgated and updated by the USDA. The CDSS shall provide the updated coupon allotment tables, which are to be implemented upon their effective date. Refer to Handbook Section 63-1101 for the most recent coupon allotment tables and their effective date.
- .325 Section 63-503.325(MR) shall become inoperative and Section 63-503.325(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Except during an initial month, all eligible one- and two-person households shall receive a minimum monthly allotment of \$10 and all eligible households with three or more members which are entitled to \$1, \$3, and \$5 allotments shall receive allotments of \$2, \$4, and \$6 respectively to correspond with current coupon book determination.
- (QR) Except during an initial month of application, all eligible one- and two-person change reporting and QR households shall receive a minimum monthly allotment of \$10 and all eligible households with three or more members which are entitled to \$1, \$3, and \$5 allotments shall receive allotments of \$2, \$4, and \$6 respectively to correspond with current coupon book determination.
- .326 Section 63-503.326(MR) shall become inoperative and Section 63-503.326(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) For an eligible household with three or more members which is entitled to benefits for the initial month but not the following month, the CWD shall certify the household in accordance with Section 63-504.1 and terminate the case for the following month if the household is prospectively ineligible. The household shall be notified in accordance with Section 63-504.261.

(QR) For an eligible change reporting household with three or more members which is entitled to benefits for the initial month but not the following month, the CWD shall certify the household in accordance with Section 63-504.1 and terminate the case for the following month if the household is prospectively ineligible. For QR/PB households with three or more members, benefits shall be provided during the QR Payment Quarter if averaged income over the quarter does not render the household ineligible for the quarter. The QR/PB household shall be certified in accordance with Section 63-504.1 if averaged income over the quarter for the QR/PB household does not exceed the 130 percent FPL for family size.

.327 Section 63-503.327(MR) shall become inoperative and Section 63-503.327 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For those eligible households which are entitled to no benefits in their initial month of application in accordance with Section 63-503.324, but are entitled to benefits in the next month, the CWD shall certify the households beginning with the month of application.

(QR) No Eligibility in the Initial Month of Application

(QR) (a) For those eligible change reporting households which are not entitled to benefits in their initial month of application in accordance with Section 63-503.324, but are entitled to benefits in the next month, the CWD shall certify the households beginning with the month of application.

(QR) (b) For QR/PB households whose income has been averaged over the QR Payment Quarter and averaged income makes the household ineligible, the application shall be denied unless the household is categorically eligible.

(1) The CWD shall inform households whose applications have been denied that if their income stops or drops, the household may contact the CWD to reapply for benefits.

(2) The CWD shall use the original application along with updated information if the household reapplies within 30 days of the denial of benefits.

- (3) ~~The denial shall be rescinded providing the household is determined eligible based on new information.~~

.328 Section 63-503.328(MR) shall become inoperative and Section 63-503.328(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a household's circumstances change and it becomes entitled to a different income eligibility test, the CWD shall apply the different test at the next recertification or whenever the CWD changes the household's eligibility, benefit level or certification period, whichever occurs first.

(QR) When a change reporting or QR/PB household's circumstances change and it becomes entitled to a different income eligibility test, the CWD shall apply the different test at the next recertification or whenever the CWD changes the household's eligibility, benefit level or certification period, whichever occurs first.

.329 Section 63-503.329(MR) shall become inoperative and Section 63-503.329(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall deny the application of an otherwise eligible household with three or more members that has a net income which would set its benefit level at zero. The application shall be denied on the grounds that net income exceeds the level at which benefits are issued unless any of the following occur:

(QR) The CWD shall deny the application of an otherwise eligible change reporting or QR/PB household with three or more members that has a net income which would set its benefit level at zero. The application shall be denied on the grounds that net income exceeds the level at which benefits are issued unless any of the following occur:

(a) (Continued)

.4 Households with Special Circumstances

.41 Households with Self-Employment Income

Section 63-503.41(MR) shall become inoperative and Section 63-503.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For monthly reporting households receiving self-employment income, including those households that own and operate a commercial boarding house, the CWD shall calculate the self-employment income in accordance with this section. All households that own and operate a noncommercial boarding house shall have their income calculated in accordance with Section 63-503.42.

(QR) For QR households receiving self-employment income, including those households that own and operate a commercial boarding house, the CWD shall calculate the self-employment income in accordance with this section. All households that own and operate a noncommercial boarding house shall have their income calculated in accordance with Section 63-503.42. QR/PB households are subject to income averaging rules as specified in Sections 63-509(a)(4), (a)(5) and (a)(6).

.411 Households with Self-Employment Income

(a) Section 63-503.411(a)(MR) shall become inoperative and Section 63-503.411(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly reporting households which receive self-employment income on a monthly basis shall report the actual amount of such income on the monthly eligibility report. The CWD shall calculate the household's benefit level for each month based on the actual amount of self-employment income reported even if such income fluctuates from month to month.

(QR) QR households which receive self-employment income on a monthly basis shall report the actual amount of such income on the QR Report 7 for the Data Month. The CWD shall calculate the household's benefit level for the Payment Quarter based on the actual amount of self-employment income reported on the QR 7 and anticipated income for each month of the upcoming QR Payment Quarter. Self-employment income shall be averaged over the QR Payment Quarter. Changes in self-employment income that

occur mid-quarter shall be treated in accordance with Section 63-509(d).

(b) Section 63-503.411(b)(MR) shall become inoperative and Section 63-504.411(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Self-employment income received less often than monthly which represents a household's annual income shall be averaged over a 12-month period even if the household receives income from other sources in addition to self-employment. If income is from a household member's self-employment in a farming or fishing operation and irregular expenses are incurred to produce that income, the household shall have the option to annualize the allowable costs of producing self-employment income from farming when the self-employment farm income is annualized.

(QR) Self-employment income received less often than monthly which represents a change reporting or QR/PB household's annual income shall be averaged over a 12-month period even if the household receives income from other sources in addition to self-employment. The annualized monthly income figure shall be used as the averaged income for the QR Payment quarter.

If income is from a household member's self-employment in a farming or fishing operation and irregular expenses are incurred to produce that income, the household shall have the option to annualize the allowable costs of producing self-employment income from farming when the self-employment farm income is annualized. For QR households, the annualized monthly figure for allowable costs of producing income from farming or fishing shall be used as an averaged expense for the QR Payment quarter.

(c) Section 63-503.411(c)(MR) shall become inoperative and Section 63-503.411(c)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If a household's self-employment enterprise has been in existence for less than a year the income from that self-employment enterprise shall be averaged over the period of time the business has been in operation, and the monthly amount projected over the certification period.

(QR) If a household's self-employment enterprise has been in existence for less than a year, the income from that self-employment enterprise shall be averaged over the period of time the business has been in operation, and the monthly amount projected over the certification period. For QR/PB households, the projected income over the certification period shall be used in averaging income over the QR Payment Quarter.

.412 Averaging Self-Employment Income Received Less Often Than Monthly (Continued)

(b) Section 63-503.412(b)(MR) shall become inoperative and Section 63-503.412(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Self-employment must be averaged over the period of time the income is intended to cover even if the household receives income from other sources.

(QR) Self-employment must be averaged over the period of time the income is intended to cover even if the household receives income from other sources. For QR/PB households, self-employment must be averaged over the certification period or over a QR Payment Quarter.

(c) Section 63-503.412(c)(MR) shall become inoperative and Section 63-503.412(c)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Actual self-employment income and expense information reported and verified with the household's CA 7 shall be used at the household's next certification to average and project the household's circumstances for the next year or period of time the income is intended to cover, except that the self-employment income averaged for the current certification period must be redetermined in the following instances:

- (QR) Actual self-employment income and expense information reported and verified with the household's last QR 7 shall be used at the household's next certification to average and project the household's circumstances for the next year or next QR Payment Quarter, except that the self-employment income averaged for the current certification period or QR Payment Quarter must be redetermined in the following instances:

(1) (Continued)

.415 Determining Monthly Income from Self-Employment (Continued)

Sections 63-503.415(a) through (b)(1)(MR) shall become inoperative and Sections 63-503.415(a) through (b)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) (a) For monthly reporting households who report their actual monthly self-employment income on the CA 7, the CWD shall add all gross self-employment income (including capital gains), and exclude the actual monthly cost of producing the self-employment income as reported on the CA 7.
- (MR) (b) For the period of time over which self-employment income is averaged, the CWD shall add gross self-employment income (including capital gains), exclude the cost of producing the self-employment income, and divide the self-employment income by the number of months over which the income will be averaged.
- (MR) (1) For self-employed farmers or fishermen, as defined in Section 63-102s, losses shall be prorated in the same manner used to prorate the self-employment income.
- (QR) (a) For QR households that report actual monthly self-employment income on the QR 7, the CWD shall add all gross self-employment income (including capital gains) and average it over the QR Payment Quarter, and exclude the averaged anticipated cost of doing business. The CWD shall determine if the monthly income is already determined by averaging income over the certification

period or if anticipated income is to be averaged over the QR Payment Quarter. Calculation of benefits over the quarter shall be computed in accordance with Section 63-509.

(QR) (b) The CWD shall add gross self-employment income (including capital gains) over the three-month QR Payment Quarter and divide the gross income total by three (3) to determine the monthly income amount for each month of the quarter. ~~Stable income; e.g., if~~ Income averaged over the certification period, need not be averaged over the quarter.

(QR) (1) For self-employed farmers or fishermen, losses shall be averaged in the same manner used to average the self-employment income, either over the certification period or over the QR Payment Quarter. (Continued)

(c) (Continued)

.416 (Continued)

.5 Section 63-503.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Nonexcluded scholarships, deferred educational loans and educational grant income received less often than monthly for both change reporting and QR households shall be averaged, after exclusions, over the period it is intended to cover.

.6 Section 63-503.6(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Contract income received by change reporting and QR households that derive their annual income in a period of time shorter than one year shall be averaged over the period it is intended to cover, provided the income from the contract is not earned on an hourly or piece-work basis.

.7 (Continued)

.71 (Continued)

.711 (Continued)

.712 (Continued)

.713 (Continued)

.714 (Continued)

.72 (Continued)

.8 (Continued)

.9 Section 63-503.9(MR) shall become inoperative and Section 63-503.9(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Certified Monthly Reporting Households Applying for Aid in a New County

(QR) Households Losing County Residence

.91 Section 63-503.91(MR) shall become inoperative and Section 63-503.91(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The applications of households which were certified for Food Stamp Program participation in one county or state and which move to another county or this state and apply for benefits without at least a one-month break in certification, shall be treated as initial applications, except they shall continue to be retrospectively budgeted, as specified in Section 63-504.711. Households which have requested and are entitled to expedited service shall have their benefits available in accordance with Section 63-301.531(b).

(QR) The applications of change reporting food stamp households which were certified for Food Stamp Program participation in one county and which move to another county and apply for benefits, shall be treated as initial applications, ~~except they shall continue to be retrospectively budgeted, as specified in Section 63-504.711.~~ Households which have requested and are entitled to expedited service shall have their benefits available in accordance with Section 63-301.531(b).

.911 Section 63-503.911(MR) shall become inoperative and Sections 63-503.911(a) and (b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Households which were subject to retrospective budgeting in the previous county or state shall continue to be retrospectively budgeted, unless the household is now excluded, as specified in Section 63-505.21. (Continued)

(QR) (a) For households that are subject to QR/PB and move out of state, benefits shall be terminated mid-quarter.

(QR) (b) For QR/PB households that move out of county, the CWD shall continue to follow existing rules which require the recipient to be discontinued from the former county of residence and reapply in the new county, except when there is a companion CalWORKs case that is being transferred, the former county will continue to provide benefits until the end of the month in which the CalWORKs case is transferred from the former county in accordance with Section 63-509(c)(2). The new county shall assign a new QR reporting cycle to the household. (Continued)

.912 (Continued)

Authority Cited: Sections 10553, 10554, 10604, 11265.1, .2 and .3, 11369, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii), (c)(3)(i), (ii) and (e)(1)(i) as published in the Federal Register, Volume 59, No. 110 on June 9, 1994; 7 CFR 273.2(j)(4); 7 CFR 273.4(c)(2), (c)(2)(i), (c)(2)(i)(A), (c)(2)(iv), (c)(2)(v), (c)(3)(v), and (e)(1) and (2); 7 CFR 273.9(b)(1)(ii) and (b)(2)(ii), and (d)(6)(iii)(F); 7 CFR 273.10; 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii), (c)(3)(ii), proposed amended 7 CFR 273.10(d) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (d)(1)(i), (d)(2), (d)(3), (d)(4), and proposed (d)(8) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and proposed amended 7 CFR 273.10(e)(1)(i)(E-H) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.11(a)(1)(i) through (iii), (a)(2)(i), (b)(1), (b)(1)(i) and (ii), (c), (c)(1), (c)(2), (c)(2)(iii), (c)(3)(ii), (d)(1), and (e)(1); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), (a)(1)(i)(C)(2), and (c)(3)(iv); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (S); 7 CFR 273.24(b)(4); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb.

1, 1990) ___ F. Supp. ___; Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990, U.S.D.A., Food and Consumer Services; Administrative Notice No. 89-12, No. 92-23, dated February 20, 1992, No. 94-39, and No. 94-65; Public Law (P.L.) 100-435, Section 351, and P.L. 101-624, Section 1717; [7 United States Code (U.S.C.) 2012, 2014(e), and 2017(c)(2)(B)]; 7 U.S.C. 2015(d)(1); 8 U.S.C. 1631, P.L. 104-193, Sections 115, 815, 821, 827 and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Food Stamp Policy Memos 82-9 dated December 8, 1981, and 88-4 dated November 13, 1987, Federal Register, Vol. 66, No. 229, dated November 28, 2001, USDA, FNS AN 02-23 dated February 6, 2002; USDA FNS AN 03-23, dated May 2003; and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

1. Amend Section 63-504 to read:
2. Post-Hearing: Amend Section 63-504 to read:
3. 15-Day Renote: Amend Section 63-504 to read:

63-504. HOUSEHOLD CERTIFICATION AND
CONTINUING ELIGIBILITY

63-504

.1 Certification Periods (Continued)

Handbook Section 63-504.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

HANDBOOK BEGINS HERE

- (QR) Counties may match certification periods with QR reporting cycles. Where possible, CalWORKs shall adjust its redetermination period to coincide with the Food Stamp Program certification period. The food stamp certification period shall not be shortened unless as specified in Section 63-504.15. The certification may be lengthened if it does not exceed 12 months as specified in Section 63-504.16.

HANDBOOK ENDS HERE

.11 (Continued)

- .12 Section 63-504.12(MR) shall become inoperative and Section 63-504.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) Additional Requirement for Establishing Certification Periods for Monthly Reporting Households

- (QR) Additional Requirements for Establishing Certification Periods for QR Households

.121 (Continued)

- .134 Section 63-504.134(MR) shall become inoperative and Section 63-504.134(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Additional Requirements for Establishing Certification Periods for Nonmonthly Reporting Households

(QR) Additional Requirements for Establishing Certification Periods for Change Reporting Households

.1341 Section 63-504.1341(MR) shall become inoperative and Section 63-504.1341(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly reporting households shall be assigned the longest certification period possible based on the predictability of the individual household's circumstances. The certification period shall not exceed 12 months.

(QR) Change reporting and QR households shall be assigned the longest certification period possible based on the predictability of the individual household's circumstances. The certification period shall not exceed 12 months.

(a) (Continued)

.145 Certification Periods for Households Residing on a Reservation

.1451 Section 63-504.1451(MR) shall become inoperative and Section 63-504.1451(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly reporting households residing on a reservation shall be certified for 24 months.

(QR) Households residing on a reservation shall be certified for 24 months.

.1452 (Continued)

.156 (Continued)

.1561 (Continued)

.167 (Continued)

.1671 (Continued)

.1672 (Continued)

.2 Notices of Action (Continued)

.22 Approval Actions (Continued)

.222 Section 63-504.222(MR) shall become inoperative and Section 63-504.222(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the initial allotment includes benefits for both the month of application and the second month's benefits, the notice shall inform the household that this initial allotment includes more than one month's benefits and shall indicate the monthly benefit level for the remainder of the certification period.

(QR) When the initial allotment includes benefits for both the month of application and the second month's benefits, the notice shall inform the household that this initial allotment includes more than one month's benefits and shall indicate the monthly benefit level for the remainder of the certification period for change reporting households or the benefit level for the QR Payment Quarter for QR/PB reporting households.

.223 (Continued)

HANDBOOK BEGINS HERE

.225 Section 63-504.225(MR) shall become inoperative and Section 63-504.225(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The recommended CDSS developed form to use for notification of approval actions is the DFA 377.1 or a County substitute containing all notice requirements.

(QR) The recommended CDSS-developed form to use for notification of approval actions is the DFA 377.1 QR or a county substitute containing all notice requirements.

HANDBOOK ENDS HERE

.23 (Continued)

.25 (Continued)

HANDBOOK BEGINS HERE

.254 Handbook Section 63-504.254(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The recommended CDSS developed form to use for notification of the expiration or shortening of a certification period is the DFA 377.2 or a County substitute containing all notice requirements.

HANDBOOK ENDS HERE

.26 Changes in Eligibility Status or Benefit Levels (Continued)

HANDBOOK BEGINS HERE

Handbook Section 63-504.26(MR) shall become inoperative and Handbook Section 63-504.26(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The Department of Social Services and the CWDs are permanently enjoined by court order in Saldivar v. McMahon from implementing MPP 22-022(j). Therefore, the CWDs are to continue to provide timely and adequate notice in all instances where the proposed action would result in a discontinuance or reduction of benefits due to a late or incomplete CA 7.

(QR) The Department of Social Services and the CWDs are permanently enjoined by court order in Saldivar v. McMahon from implementing MPP Sections 22-022(j) 22-071 and 22-072. Therefore, the CWDs are to continue to provide timely and adequate notice in all instances where the proposed action would result in a discontinuance or reduction of benefits due to a late or incomplete QR 7. (Continued)

HANDBOOK ENDS HERE

.263 (Continued)

Section 63-504.263(MR) shall become inoperative and Section 63-504.263(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Notice of a proposed change in benefits shall be sent to a monthly reporting household that fails to submit verification/information of a deduction with a CA 7 that is otherwise complete as specified in Section 63-504.32, or submits a CA 7 that contains questionable information as defined in Section 63-300.53.

(QR) Notice of a proposed change in benefits shall be sent to a QR household that fails to submit verification/information of a deduction with a QR 7 that is otherwise complete as specified in Section 63-504.32, or submits a QR 7 that contains questionable information as defined in Section 63-300.53.

(a) Section 63-504.263(a)(MR) shall become inoperative and Section 63-504.263(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The notice of action shall be sent no later than 10 days before the end of the report month. The household shall be given until the extended filing date to provide the missing verification/information.

(QR) The notice of action shall be sent no later than 10 days before the end of the Submit Month. The household shall be given until the extended filing date to provide the missing verification/information.

(b) Section 63-504.263(b)(MR) shall become inoperative and Section 63-504.263(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the household submits a CA 7 after the CWD has mailed the notice specified in Section 63-504.27, the CWD need not provide a notice informing the household of a proposed change in benefits.

(QR) If the household submits a QR 7 after the CWD has mailed the notice specified in Section 63-504.27, the CWD need not provide a notice informing the household of a proposed change in benefits.

(c) (Continued)

.264 Section 63-504.264 et seq.(MR) shall become inoperative and Section 63-504.264 et seq.(QR) shall become operative in a county

on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Notification to Monthly Reporting Households

(QR) Notification to Quarterly Reporting Households

(MR) The CWD shall provide a notice of action to a monthly reporting household to inform them of any increase or decrease in benefits resulting from information reported by the household on the CA 7.

(QR) The CWD shall provide a notice of action to a QR household to inform them of any increase or decrease in benefits as specified in Section 63-504.37, resulting from information reported by the household on the QR 7.

(MR) (a) Notice shall be provided to a household which submits a complete CA 7, including all required verification, to the CWD by the 11th of the report month:

(QR) (a) Notice shall be provided to a household which submits a complete QR 7, including all required verification, to the CWD by the 11th of the submit month: (Continued)

(MR) (b) Notice shall be provided to a household which submits a complete CA 7 after the 11th of the report month and by the extended filing date no later than the household's normal or delayed issuance date.

(QR) (b) Notice shall be provided to a household which submits a complete QR 7 after the 11th of the submit month and by the extended filing date no later than the household's normal or delayed issuance date.

HANDBOOK BEGINS HERE

.265 Section 63-504.265(MR) shall become inoperative and Section 63-504.265(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The recommended CDSS developed form to use for notification of changes in eligibility status or benefit levels, or the suspension of benefits, is the DFA 377.4 or a County substitute containing all notice requirements.

- (QR) The recommended CDSS-developed form to use for notification of changes in eligibility status or benefit levels is the DFA 377.4 QR or a county substitute containing all notice requirements.

HANDBOOK ENDS HERE

.266 Exemptions from Providing a Notice of Action (Continued)

- (d) Section 63-504.266(d)(MR) shall become inoperative and Section 63-504.266(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The monthly reporting household's allotment varies from month to month during the beginning months to take into account changes which were estimated at the time of certification and the household was so notified at the time of certification.
- (QR) The QR household's allotment is adjusted to take into account changes which were ~~estimated~~ anticipated at the time of certification and the household was so notified at the time of certification.
- (e) Section 63-504.266(e)(MR) shall become inoperative and Section 63-504.266(e)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The nonmonthly reporting household's allotment varies from month to month within the certification period to take into account changes which were anticipated at the time of certification, and the household was so notified at the time of certification.
- (QR) The change reporting household's allotment varies from month to month within the certification period to take into account changes which were anticipated at the time of certification, and the household was so notified at the time of certification. (Continued)
- (j) Section 63-504.266(j)(MR) shall become inoperative and Section 63-504.266(j)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A household's participation in the Food Stamp Program is terminated as specified in Section 63-504.33, because the household failed to respond to the notice of action informing them of the nonreceipt of the CA 7 by filing a complete CA 7 by the extended filing date.

(QR) A household's participation in the Food Stamp Program is terminated as specified in Section 63-508.6, because the household failed to respond to the notice of action informing them of the nonreceipt of the QR 7 by filing a complete QR 7 by the extended filing date. (Continued)

.267 Exemptions from Providing a Timely Notice of Action
(Continued)

(e) (Continued)

(2) Section 63-504.267(e)(2)(MR) shall become inoperative and Section 63-504.267(e)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The household responding to a notice of action requesting the household to submit a complete CA 7 by the extended filing date.

(QR) The household responding to a notice of action requesting the household to submit a complete QR 7 by the extended filing date.

Sections 63-504.27 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) .27 CA 7 Not Received/CA 7 Incomplete (Continued)

HANDBOOK BEGINS HERE

See handbook section in 63-504.26 for Saldivar v. McMahan court order requirements for timely and adequate notice.

HANDBOOK ENDS HERE

The CWD shall provide a notice of action to a monthly reporting household which fails to file a CA 7 by the 11th of the report month or files an incomplete CA 7.

- (MR) .271 The notice of action shall inform the household:
- (MR) (a) That the CA 7 either is overdue or incomplete;
 - (MR) (b) What the household must do to complete the CA 7;
 - (MR) (c) If any verification is missing and the effect on the household's benefits level;
 - (MR) (d) That the SSN of a new member must be reported;
 - (MR) (e) What the extended filing date is; and
 - (MR) (f) That the CWD will assist the household in completing the report.
- (MR) .272 The CWD shall send the notice of action no later than 10 days before the end of the report month and give the household until the extended filing date, as specified in Section 63-504.33, to file a complete CA 7. If a complete CA 7 is received after the 11th of the report month, but prior to the mailing of the notice, the notice shall not be sent.
- (MR) .273 If a household responds to the notice of action by submitting an incomplete CA 7, the CWD need not provide a second notice to the household.

HANDBOOK BEGINS HERE

- (MR) .274 The recommended CDSS developed forms to use in notifying households of a missing or incomplete CA 7 are the NA 960X or NA 960Y, respectively or a County substitute containing all notice requirements.

HANDBOOK ENDS HERE

Sections 63-504.3 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) .3 Monthly Reporting

(MR) The CWD, at the time of the application interview, shall determine which households are subject to monthly reporting requirements, as specified in Section 63-505.2. The CWD shall provide all monthly reporting households with the CA 7 for reporting the information and changes required by Section 63-505.3. The CWD shall provide assistance in completing and filing the CA 7 to households whose adult members are all either mentally or physically disabled, non-English speaking or lacking in reading and writing skills such that they cannot complete and file the CA 7. The CWD shall require monthly reporting households to submit a complete CA 7 by the 5th of each report month. Recipient due dates and CWD time limits shall be modified by Section 63-102c.

(MR) .31 CWD Action on the CA 7

(MR) .311 Upon receiving the CA 7 the CWD shall:

- (MR) (a) Review the report to ensure completeness and consider the report incomplete if it does not meet the criteria for a complete CA 7, as defined in Section 63-504.32.
- (MR) (b) Determine those items which will require additional verification and/or clarification, in accordance with Section 63-504.34.
- (MR) (c) Notify the household, as specified in Section 63-504.33, of the need to correct an incomplete or inaccurate CA 7, and/or submit additional verification/clarification, as required by Section 63-504.34.
- (MR) (d) Determine the household's eligibility prospectively by considering all factors, including income, in accordance with Section 63-503.321(a).
- (MR) (e) Determine the household's level of benefits based on actual information reported on the CA 7 and household composition determined as of the issuance month, in accordance with Section 63-503.3. In calculating the household's benefit level, the following income and deductions shall be considered:
 - (MR) (1) Nonexcluded earned and unearned income received in the corresponding budget month, including the earned income of an elementary or secondary school student only if the student is 18 years of age or older at the beginning of the budget month except as specified in Section 63-407(a)(4)(A). The

CWD shall use the actual amount received by the household to compute benefits, except as provided in Section 63-503.22.

- (MR) (2) Allowable deductions as billed or averaged from the corresponding budget month, including those shelter costs billed less often than monthly which the household has chosen to average.

- (MR) (f) Issue benefits, in accordance with the time frames set forth in Section 63-504.38.

(MR) .32 Complete CA 7

The CWD shall consider the CA 7 complete if all of the following requirements are met.

- (MR) .321 The CA 7 is dated no earlier than the first day of the report month.

- (MR) (a) This requirement shall be met when the date entered on the CA 7, together with other dated material provided with the CA 7, and the date on which the CWD mailed or gave the CA 7 to the household clearly establishes the month and year to which the CA 7 applies.

- (MR) (b) This requirement shall not apply when:

- (MR) (1) The first day of the report month falls on a nonpostal delivery day;
- (MR) (2) The CA 7 is mailed by the CWD for delivery on the last postal delivery day of the budget month; and
- (MR) (3) The recipient signs and dates the CA 7 on or before the last day of the budget month.

- (MR) .322 The CA 7 provides the CWD with address (location) information sufficient to locate the household, however, households which do not have a fixed address shall not have their CA 7s rendered incomplete solely for this reason.

- (MR) .323 The CA 7 is signed by the head of the household, authorized representative, or responsible household member. The PA caretaker relative, natural or adoptive parent, if not one of the above, shall not satisfy this requirement.

(MR) .324 All questions and items pertaining to food stamp eligibility are fully answered and provide the CWD with the information to correctly determine eligibility and benefit level, except as specified in Sections 63-504.324(c) and (d) and Section 63-505.311.

(MR) (a) To be considered fully answered, information on the CA 7 together with attached documentation must provide sufficient information to allow for the determination of eligibility and/or benefit level.

(MR) (b) Questions on the CA 7 shall not be considered fully answered if situations such as, but not limited to the following, exist:

- (MR) (1) The CA 7 does not include information on changes that the household has previously reported to have occurred; for example, an actual change that the household reported to the CWD by telephone was not included on the CA 7 unless the appropriate case action has already been taken.
- (MR) (2) The CA 7 does not include information that was reported on the previous CA 7 and the household does not indicate a change has occurred, e.g., the household previously reported earnings from two sources and this month reports earnings from one source but does not explain the change.
- (MR) (c) If elements pertaining to one program's requirements are missing from the CA 7, the CA 7 shall be considered incomplete for that program only.
- (MR) (d) The CWD shall not consider the CA 7 incomplete if information regarding child/spousal support disregard payments has not been included.
- (MR) .325 Verification is provided for gross nonexcluded earned income each month and nonexcluded unearned income when first reported and when there is a change in the amount of income received, except as specified in Sections 63-505.311, and 63-504.325(a).
- (MR) (a) For child/spousal support disregard payments, the agency record shall be the verification.
- (MR) .326 Verification is provided for the source of all excluded income when first reported and when there is a change in the source of the income.
- (MR) .33 CWD Action on an Incomplete CA 7

HANDBOOK BEGINS HERE

- (MR) (a) See handbook section in 63-504.26 for Saldivar v. McMahon court order requirements for timely and adequate notice.

HANDBOOK ENDS HERE

- (MR) (b) After notifying the household as specified in Section 63-504.27, the CWD shall allow the household until the extended filing date to file a complete CA 7.

- (MR) (c) The household's participation shall be terminated effective the end of the report month, as specified in Section 63-504.36, if the household fails to file a complete CA 7 by the extended filing date.

(MR) .34 CWD Action on a Complete CA 7 Requiring Additional Verification/Information

HANDBOOK BEGINS HERE

See handbook section in 63-504.26 for Saldivar v. McMahan court order requirements for timely and adequate notice.

HANDBOOK ENDS HERE

If the household submits a CA 7 by the date the CWD mails the notification of the missing CA 7, but fails to provide the required verification/information with the CA 7, the CWD shall notify the household as specified in Section 63-504.26 of the need to submit the missing verification/information by the extended filing date. The CWD shall not delay benefits if the missing verification/information is for a deduction. If the household fails to provide the missing verification/information, other than for income, by the extended filing date, the CWD shall not consider the CA 7 incomplete. Any deductions for which the verification/information is missing shall be disallowed. Items specified in Sections 63-504.341(g) and (h) shall be handled as specified in Section 63-504.342.

- (MR) .341 The household shall provide with the CA 7 verification of the following items:

- (MR) (a) Dependent care costs which have changed since the last report or when there is questionable information which is inaccurate, incomplete, outdated, or inconsistent;
- (MR) (b) If the household voluntarily reports a change in its medical expenses and fails to verify the change as specified in Section 63-504.421, and that change would increase the household's allotment, the CWD shall not make the change. The CWD shall act on reported changes without requiring verification if the changes would decrease the households allotment or make the household ineligible, although verification which is required as specified in Section 63-504.421 shall be obtained prior to the household's recertification.

- (MR) (c) Utility costs which entitle the household to the standard utility allowance (SUA). The household shall provide verification of these costs when first allowed entitlement to the SUA and when the household moves;
 - (MR) (d) Actual utility costs, if the household is claiming the actual expenses, when first allowed as a deduction, and when there is a move;
 - (MR) (e) All expenses incurred in producing self-employment income;
 - (MR) (f) Residency as defined in Section 63-401 when there is a change;
 - (MR) (g) Social Security numbers or citizenship or alien status for household members when there is a change.
 - (MR) (h) A change in the legal obligation to pay child support to a person not in the food stamp household, as specified in Section 63-502.37, and/or an increase in the amount of child support payments.
- (MR) .342 The CWD may elect to require verification of housing costs when first allowed as a deduction and when there is a move, as specified in Section 63-300.52.
- (MR) .343 If the household submits information and/or verification with the CA 7 which the CWD determines to be questionable, as specified in Section 63-300.53, the CWD shall notify the household as specified in Section 63-504.26. The household shall be allowed until the extended filing date to submit the necessary verification/clarification. If the household fails to submit the necessary verification/clarification by the extended filing date, the CWD shall act on the reported information if it results in a decrease in benefits, or not act on the reported information if it results in an increase.
- (MR) .344 The CWD shall contact the household as needed to obtain further information on specific items. These items include, but are not limited to:
- (MR) (a) The effect of a reported change in resources on a household's total resources; and

- (MR) (b) The effect of a reported change in household composition or loss of job or source of earned income on the applicability of the work registration or voluntary quit requirements.

(MR) .35 Action on Reported Information

HANDBOOK BEGINS HERE

See handbook section in 63-504.26 for Saldivar v. McMahon court order requirements for timely and adequate notice.

HANDBOOK ENDS HERE

- (MR) .351 The CWD shall take prompt action on all changes to determine if the reported information affects the household's eligibility and/or benefit level.
- (MR) (a) If the reported change results in the household becoming ineligible, the CWD shall terminate the household's participation effective the next issuance month unless the household is suspended, as specified in Sections 63-504.371 or .372.
- (MR) (b) Excess resources shall not be counted if they are reduced to the resource limit in the month received.
- (MR) .352 If the change reported on the CA 7, except for the addition of a new household member results in an increase or decrease in benefits, the CWD shall make the change effective the next issuance month and notify the household as specified in Section 63-504.26.
- (MR) .353 If the reported change results in an increase or decrease in a household's benefits due to the addition of a new household member, the CWD shall make a determination of the new household member's eligibility within 30 days of the date the change was reported. To complete the determination, the CWD has the option either to require the household to complete the CA 8, or to contact the household to obtain the necessary information for the new member and update the last application. However, if the change in circumstances brings continued eligibility into question, the CWD may shorten the certification period of the household, as specified in Section 63-504.14, and proceed to recertify the household.

- (MR) (a) The CWD shall issue benefits for the new member effective the first of the month following the month in which the change was reported. The new member shall be required to comply with the verification requirements specified in Section 63-300.5 and the work registration requirements specified in Section 63-407. If the new member is not eligible to participate, the CWD shall treat the income of that excluded member as specified in Section 63-503.44.
- (MR) (b) The CWD shall prospectively budget the new member's income and specific deduction in combination with the existing household's retrospectively budgeted income and deductions to determine the household's benefit level for the first two months the new member is added to the household. The entire household shall be retrospectively budgeted in the third and subsequent months. If the new member had been providing income to the household on an ongoing basis prior to becoming a member of the household and that new member's income had been budgeted retrospectively, the CWD shall exclude the previously provided income in determining the household's issuance month benefits and eligibility.
- (MR) 1. The CWD shall add a previously excluded member's income (an individual who was disqualified for an IPV or failure to comply with workfare or work requirements, was ineligible because of failure to comply with the social security number requirement, or was previously an ineligible alien), retrospectively. The previously excluded member shall be added to the household the month after the disqualification period ends. All other previously excluded members such as SSI/SSP individuals or ineligible students, shall have his/her income added prospectively in accordance with the procedures in paragraph (a) of this section.
- (MR) (c) The CWD shall notify the household as specified in Section 63-504.26, if the new member's income and resources make the household ineligible or result in a reduction or increase in benefits.

- (MR) .354 If the household reports the addition of a new member after the extended filing date for the appropriate month, the CWD shall determine the effect of the new member's income, resources, and deductions on the existing household's eligibility and benefit level.
- (MR) (a) The CWD shall prospectively budget the income and deductions of the new member for the first two months following the month in which the new member should have been included as a member of the household. The CWD then shall follow the budgeting procedures as specified in Section 63-504.353(b).
- (MR) (b) The CWD shall establish a claim against the household, in accordance with Section 63-801, to recover any overissuances resulting from the unreported addition of the household member.
- (MR) (c) The household shall not be entitled to any restoration of lost benefits resulting from the unreported addition of the household member, in accordance with Section 63-802.1.
- (MR) .355 The household shall provide, as specified in Sections 63-300.51 and 63-504.32, the information necessary to complete the determinations of eligibility and benefit levels for the household and the new member(s).
- (MR) (a) If the household refuses to provide the necessary information, their participation shall be terminated as specified in Section 63-505.1.
- (MR) (b) If the household fails to provide the necessary information regarding the new member on the CA 7 for the budget month in which the change was reported, the CA 7 is considered incomplete and the household's participation shall be terminated as specified in Section 63-504.361(b).
- (MR) .356 The income and specific deductions of a member leaving the household shall be disregarded when determining the household's eligibility and benefit level for the month following the month in which the change was reported. The household shall be sent a notice of action as specified in Section 63-504.26 if the household's allotment increases or decreases. The remaining household members' benefit level shall continue to be retrospectively budgeted.

(MR) .357 If a household reports a change outside of the CA 7, the CWD shall evaluate the effect of the change on the household's eligibility and benefit level. Regardless of the effect, the CWD shall inform the household to include the information on the next month's CA 7 and inform the household of any additional verification requirements.

(MR) (a) If the change results in the household's ineligibility, the CWD shall terminate the household's participation effective the first issuance month following the timely notice of the termination.

(MR) (b) Except for the addition of a household member, if the change affects the benefit level, the CWD shall note the information in the case file, reflect the change in the corresponding issuance month and notify the household as specified in Section 63-504.26.

(MR) .36 Termination

(MR) .361 The CWD shall terminate a monthly reporting household's participation in the Food Stamp Program if the household:

(MR) (a) Is no longer eligible for Food Stamps or a change in household circumstances makes the household prospectively ineligible for one or more months, except if the household is suspended as specified in Sections 63-504.371 or .372. The household shall be notified as specified in Section 63-504.261.

(MR) (b) Fails to submit a complete CA 7 by the extended filing date. The household shall be notified as specified in Section 63-504.27.

(MR) (c) Fails to comply with a nonfinancial eligibility requirement, such as the work registration requirements. The household shall be notified as specified in Section 63-504.261.

(MR) (d) Requests the termination in writing. The household shall be notified as specified in Section 63-504.267(f).

(MR) .362 If a household whose participation has been terminated reapplies in the month following termination, the household shall be required to provide the CA 7 which is due in the month following termination. If the household's participation was terminated for failure to submit a complete CA 7 by the extended filing date, they

also shall be required to submit the missing CA 7(s) and complete an application. The application shall be processed as an untimely application for recertification. If the household fails to provide the CA 7(s), the reapplication shall be denied.

- (MR) .363 If a household whose participation has been terminated submits a complete CA 7 after the issuance month, the household shall be required to complete an application and the CWD shall consider it as an initial application.

(MR) .37 Suspension

- (MR) .371 The CWD shall suspend a household, in the issuance month corresponding to the budget month in which the change occurred, if receipt of an additional routine check (third check for those paid biweekly and fifth check for those paid weekly) results in a period of ineligibility lasting no more than one month.

- (MR) .372 For changes that could not be or were not anticipated by the household or the CWD and that result in a one-month period of ineligibility, the CWD shall suspend the household for the issuance month corresponding to the budget month in which the change occurred.

- (MR) (a) Excess resources shall not be counted if they are reduced to the resource limit in the month received.

- (MR) (b) If a suspended household experiences an unanticipated change resulting in an additional one month period of ineligibility, the CWD shall terminate the household at the end of the month of suspension. If the household reapplies in the month following termination and is prospectively determined to be eligible for benefits, the CWD shall approve the application. If ineligible in the month of reapplication due to retrospective budgeting, the CWD shall suspend the household for the month of reapplication and continue to retrospectively budget the household's income and deductions in the subsequent months.

- (MR) .373 The CWD shall notify the household of the suspension as specified in Section 63-504.264, and supply the household with a CA 7 for the month of suspension.

- (MR) .374 The household shall be required to submit the complete CA 7 by the normal due date. If the household fails to submit the CA 7 by the normal due date, the CWD shall notify the household as specified in Section 63-504.27.
- (MR) .375 If the suspended household fails to submit a complete CA 7 for the month of suspension by the extended filing date, the CWD shall terminate the household's participation.
- (MR) .376 Retrospective budgeting shall be used to calculate the household's benefit level in the month following suspension, if the household is eligible to participate in the Food Stamp Program.
- (MR) .38 Issuance of Benefits
 - (MR) .381 Timely Issuance

The CWD shall issue benefits by the household's regular issuance date, to an eligible household which has filed a complete CA 7 by 10 days before the end of the report month.
 - (MR) .382 Delayed Issuance

If an eligible household fails to file a complete CA 7 after 10 days before the end of the report month, but files a complete CA 7 by the extended filing date, the CWD shall issue the household's benefits as soon as administratively feasible. However, if necessary the CWD may delay providing the household an opportunity to participate up to 10 days after its normal issuance date. (Continued)
- .4 Section 63-504.4(MR) shall become inoperative and Section 63-504.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Effecting Changes for Nonmonthly Reporting Households
- (QR) Effecting Changes for Change Reporting Households (Continued)
 - .42 Section 63-504.42(MR) shall become inoperative and Section 63-504.42(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) Action on Reported Changes for Prospectively Budgeted Households

(QR) Action on Reported Changes in Change Reporting Households
(Continued)

.43 Section 63-504.43(MR) shall become inoperative and Section 63-504.43(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly Reporting Households Receiving PA Benefits

(QR) Change Reporting Households Receiving PA Benefits

.431 (Continued)

.432 Section 63-504.432 et seq.(MR) shall become inoperative and Section 63-504.432 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall use the CA 7 as the Food Stamp report form for PA households. The CWD shall ensure that the following requirements are met for PA households not subject to food stamp monthly reporting:

- (a) These households shall not have their eligibility terminated or allotments changed merely because they fail to submit one or more of the system's regular reports. If a household's PA benefits are terminated due to the household's failure to submit a timely or complete CA 7, the CWD shall follow the procedures set forth in Section 63-504.435.
- (b) These households shall be considered to have timely reported changes if the CA 7 is submitted within the time frames for submitting a timely CA 7 or the change was reported within 10 days of the date the change became known to the household, whichever is later.
- (c) The CWD shall not restrict these households to reporting changes only on the CA 7. These households shall be allowed to report changes on the CA 7, in person or by telephone.
- (d) The CWD shall act on all changes reported on the CA 7, in accordance with the processing standards in Section 63-504.42. The CWD shall ensure that adjustments are made

in a household's eligibility or allotment only for those months in which the reported change is anticipated to remain in effect.

(QR) The CWD shall use the QR 7 as the food stamp report form for PA households. The CWD shall ensure that the following requirements are met for PA households not subject to food stamp QR:

- (a) These households shall not have their eligibility terminated or allotments changed merely because they fail to submit one or more of the system's regular reports. If a household's PA benefits are terminated due to the household's failure to submit a timely or complete QR 7, the CWD shall follow the procedures set forth in Section 63-504.435.
- (b) These households shall be considered to have timely reported changes if the QR 7 is submitted within the time frames for submitting a timely QR 7 or the change was reported within 10 days of the date the change became known to the household, whichever is later.
- (c) The CWD shall not restrict these households to reporting changes only on the QR 7. These households shall be allowed to report changes on the QR 3 or QR 377.5, in person or by telephone.
- (d) The CWD shall act on all changes reported on the QR 7, in accordance with the processing standards in Section 63-504.42. The CWD shall ensure that adjustments are made in a household's eligibility or allotment only for those months in which the reported change is anticipated to remain in effect. (Continued)

.5 Sections 63-504.5 through .512(MR) shall become inoperative and Sections 63-504.5 through .512(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Procedures for Households Changing Their Reporting and Budgeting Status
(Continued)

(QR) Procedures for Households Changing Their Reporting Status

.51 Households which become subject to QR/PB

The CWD shall change the status of households which become subject to QR/PB beginning with the first month following the change in household circumstances which results in a change in the household's QR/PB status. The following conditions shall apply:

.511 The CWD shall provide the household with information as specified in Section 63-300.41. If the CWD implements the change during the certification period, it may omit the verbal explanations for QR/PB.

.512 The CWD shall not require the household to submit a QR 7 during for any month in which the household was subject to change reporting requirements.

.52 Section 63-504.52(MR) shall become inoperative and Section 63-504.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall use the following procedures to remove households from the monthly reporting/retrospective budgeting system.

(QR) The CWD shall use the following procedures to remove households from the QR/PB budgeting system.

.521 Section 63-504.521(MR) shall become inoperative and Section 63-504.521(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For any household which becomes exempt from the monthly reporting/retrospective budgeting system as specified in Section 63-505.21, the CWD shall notify the household within 10 days of the date the CWD becomes aware of the change that: (Continued)

(QR) For any household which becomes exempt from the QR/PB budgeting system as specified in Section 63-505.21, the CWD shall notify the household within 10 days of the date the CWD becomes aware of the change that:

(a) The household has become exempt from QR and is no longer required to file any future QR 7s. This does not apply to households in which one or more household members are in receipt of cash aid from programs such as

CalWORKs, CA/GR, RCA or ECA which do require a quarterly report.

(b) The change in budgeting will go into effect.

.522 Section 63-504.522(MR) shall become inoperative and Section 63-504.522(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall begin determining the household's benefits prospectively in the first month that the household is no longer required to file a CA7.

(QR) The CWD shall begin determining the household's benefits using change reporting rules the first month following the status change from QR to change reporting. (Continued)

.6 Recertification of All Households

.61 General Requirements (Continued)

(c) Timely Application for Recertification

(1) Section 63-504.61(c)(1)(MR) shall become inoperative and Section 63-504.61(c)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly reporting households which file a complete CA 7 on or before the 11th of the last month of the certification period, and an application no later than the recertification interview shall be considered to have made a timely application for recertification.

(QR) QR households which file a complete QR 7 on or before the 11th of the last month of the certification period, and an application no later than the recertification interview shall be considered to have made a timely application for recertification.

(2) Section 63-504.61(c)(2)(MR) shall become inoperative and Section 63-504.61(c)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) All nonmonthly reporting households, except those provided a notice of action informing them of the expiration of their certification period at the time of certification, who file applications by the 15th day of the last month of the certification period shall be considered to have made a timely application for recertification.

(QR) If the certification period ends in the QR Submit Month,
~~All~~ change reporting households, except those provided a notice of action informing them of the expiration of their certification period at the time of certification, who file applications by the 15th day of the last month of the certification period shall be considered to have made a timely application for recertification.

(3) Section 63-504.61(c)(3)(MR) shall become inoperative and Section 63-504.61(c)(3)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly reporting households provided a notice of action informing them of the expiration of their certification period at the time of certification shall have 15 days from the date the notice is received to file a timely application for recertification.

(QR) Change reporting households provided a notice of action informing them of the expiration of their certification period at the time of certification shall have 15 days from the date the notice is received to file a timely application for recertification. (Continued)

.62 Section 63-504.62(MR) shall become inoperative and Section 63-504.62(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) CWD Action on Timely Reapplications By Monthly Reporting Households

(QR) CWD Action on Timely Reapplications by Quarterly Reporting Households

.621 Section 63-504.621(MR) shall become inoperative and Section 63-504.621(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CA 7 shall be mailed to the household at the normal mailing time or along with the notice of action informing them of the expiration of their certification period. Return of both the CA 7 and the application is required to complete the recertification.
(Continued)

(QR) If the certification period ends in the QR Submit Month. ~~The~~ QR 7 shall be mailed to the household at the normal mailing time or along with the notice of action informing them of the expiration of their certification period. Return of both the QR 7 and the application is required to complete the recertification.

(a) The QR 7 shall be submitted and completed as specified in Section 63-508.66. (Continued)

(b) The application form shall be submitted to the CWD no later than the time of the interview.

(c) If the household has not previously filed a complete QR 7, the household may submit it at the interview. In no event shall the reapplication be considered timely if a complete QR 7 is submitted after the 11th of the last month of the certification period.

.622 Section 63-504.622(MR) shall become inoperative and Section 63-504.622(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall: 1) recertify the household using information on the CA 7 for the corresponding budget month to determine the household's benefit level for the first month of the new certification period; 2) delay reflecting information from the recertification interview affecting the household's benefit level until the second month of the new certification period if necessary to continue retrospective budgeting; and 3) continue to determine the household's prospective eligibility in accordance with Section 63-503.321.

(QR) When certification falls in the same month as the QR Submit Month, the CWD shall: 1) recertify the household using information on the QR 7 for the corresponding Data Month and information received during the certification interview to determine the household's benefit level for the first Payment Quarter of the new certification period and, 2) continue to determine the household's prospective eligibility. If the CWD establishes a certification of benefits other than in the Submit Month, the CWD must take action mid-quarter based on information received during the certification to discontinue, increase or decrease benefits, regardless of QR rules. (Continued)

.624 Section 63-504.624(MR) shall become inoperative and Section 63-504.624(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Households that receive a notice of action informing them of the expiration of their certification period shall be subject to the verification requirements specified in Section 63-504.3 for information provided on the CA 7. These households shall not be subject to the other CA 7 processing provisions specified in Section 63-504.3 in the last month of the certification period. The recertification provisions specified in Section 63-504.6 are in effect in this month.

(QR) Households that receive a notice of action informing them of the expiration of their certification period shall be subject to the verification requirements specified in Section 63-504.6 for information provided on the QR 7. (Continued)

.63 Section 63-504.63(MR) shall become inoperative and Section 63-504.63(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Process for Recertifying Nonmonthly Reporting Households (Continued)

(QR) Process for Recertifying Change Reporting Households

.7 (Continued)

Authority Cited: Sections 10553, 10554, 10604, 11265.1, .2 and .3, 11369, 18904, and 18910, Welfare and Institutions Code.

Reference:

Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f)(8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(ii), (h), and (h)(1)(i)(D), 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.9(d)(6)(iii)(F), 7 CFR 273.10(d)(4), (f), (g)(1)(i) and (ii); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), and (a)(1)(i)(C)(2); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.12(e)(1), (e)(2), and (e)(4); 7 CFR 273.13(a)(2); 7 CFR 273.13(b)(1); 7 CFR 273.14; 7 CFR 273.14(b)(3) and (e); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(B), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; Public Law (P.L.) 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7) and 2017(c)(2)(B); U.S.D.A. Food and Consumer Services, Administrative Notices 94-39 and 97-50; P.L. 104-193, Sections 801, 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; Federal Administrative Notice 97-99, dated August 12, 1997; United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) Administrative Notice (AN) 02-23, dated February 6, 2002; and USDA FNS AN 03-23, dated May 1, 2003.

1. Amend Section 63-505 to read:
2. Post-Hearing: Amend Section 63-505 to read:
3. 15-Day Renote: Amend Section 63-505 to read:

63-505 HOUSEHOLD RESPONSIBILITIES (Continued)

63-505

- .2 Section 63-505.2(MR) shall become inoperative and Section 63-505.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly Reporting/Retrospective Budgeting Households (Continued)

(QR) Quarterly Reporting/Prospective Budgeting Households

All households participating in the Food Stamp Program except as provided in Section 63-505.21, shall report household circumstances quarterly on the QR 7 as a condition of eligibility. QR households will also be required to report changes as specified in Sections 63-508 and 63-509.

- .21 Section 63-505.21(MR) shall become inoperative and Section 63-505.21(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The following households shall be excluded from monthly reporting and retrospective budgeting. See Section 63-504.43 for those households receiving PA. (Continued)

(QR) The following households shall be excluded from QR. See Section 63-504.43. (Continued)

- .3 Sections 63-505.3 through .34(MR) shall become inoperative and Sections 63-505.3 through .34(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Reported Information for Monthly Reporting Households (Continued)

(QR) Reported Information for QR Households

Households shall report on a quarterly basis, the following information about the household.

.31 Data Month income, except as specified in Section 63-505.311, shelter and utility costs when there is a move change of address, child dependent care costs, the amount of child support payments made to a nonhousehold member as specified in Section 63-502.37, household composition, anticipated income and expense changes for the upcoming QR Payment Quarter and other relevant information required for a complete QR 7.

.311 Households need not report the receipt or amount of any PA, FC, GA, RCA, ECA or child/spousal support disregard payments paid by the CWD from which the household is receiving food stamp benefits.

.32 ~~Any changes in income, shelter and utility costs when there is a move change of address, child care costs, a change in the legal obligation to pay child support payments to a nonhousehold member, resources or other relevant circumstances affecting eligibility which the household expects to occur in the upcoming Payment Quarter or which occurred in the Data Month as asked for on the QR 7 since the last Data Month and any expected over the next three months.~~

.33 For food stamp purposes, households need not provide PA only information requested on the Quarterly Report (QR 7).

.34 A reduction of ~~work effort~~ in hours worked to less than 20 hours per week, or ~~averaged monthly~~ 80 hours a month averaged monthly, for purposes of determining whether an ABAWD has satisfied the work requirement defined in Section 63-410-2.

.4 Section 63-505.4(MR) shall become inoperative and Section 63-505.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Verification Responsibilities for Monthly Reporting Households (Continued)

(QR) Verification Responsibilities for Quarterly Reporting Households

.41 Section 63-505.41(MR) shall become inoperative and Section 63-505.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD may request verification be submitted for any item that has changed or appears questionable. Monthly reporting households shall provide verification of the following information reported on the CA 7:
(Continued)

(g) (Continued)

(QR) The CWD may request verification be submitted for any item that has changed or appears questionable. QR households shall provide verification of the following information reported on the QR 7:

- (a) Gross nonexcluded earned income each month; nonexcluded unearned income and the source of excluded income when first reported and when there is a change, except as specified in Sections 63-504.325(a) and 63-505.311.
 - (b) Dependent care costs when there is a change in the source or amount and when there is questionable information which is inaccurate, incomplete, outdated or inconsistent.
 - (c) If the household voluntarily reports a change in its medical expenses, the CWD shall verify the change as specified in Section 63-504.421 before acting on it if the change increases the household's allotment. In the case of a reported change that decreases the household's allotment, or makes the household ineligible, the CWD shall act on the change without requiring verification, although verification which is required as specified in Section 63-504.421 shall be obtained prior to the household's recertification.
 - (d) Utility costs which entitle the household to the standard utility allowance (SUA), when first allowed and when the household moves.
 - (e) Utility costs, if the household is claiming actual expenses, when first allowed as a deduction and when the household moves;
 - (f) Residency as defined in Section 63-401 when there is a change, except for categorically eligible households.
 - (g) Social Security Number, except for PA categorically eligible households;
 - (h) Section 63-505.41(h)(MR) shall become inoperative and Section 63-505.41(h)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Actual cost of doing business expenses, if self-employed, with each CA 7.

(QR) Actual cost of doing business expenses, if self employed, with each QR 7.

(i) (Continued)

- .5 Section 63-505.5(MR) shall become inoperative and 63-505.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Reporting Changes for Households Excluded from Monthly Reporting Requirements (Continued)

(QR) Reporting Changes for Households Excluded from Quarterly Reporting Requirements (Continued)

- .52 Section 63-505.52(MR) shall become inoperative and Section 63-505.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Timeliness Requirement for Reporting Changes of Nonmonthly Reporting Households (Continued)

(QR) Timeliness Requirement for Reporting Changes of Change Reporting Households (Continued)

Authority Cited: Sections 10553, 10554, 10604, 11265.1, .2 and .3, 11369, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 10830, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 CFR 272.4(f); 7 CFR 273.2(j)(3) and (4); 7 CFR 273.10(d)(4); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12, (a)(1)(i), (a)(1)(i)(A), (a)(1)(i)(B), (a)(1)(i)(C)(2), and proposed .12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.2(d); proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.21(b), (b)(4), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3), and (i); 7 CFR 273.12(a)(1)(vii); 7 CFR 273.24 (a)(1)(i) and (b)(7); P.L. 100-435, Section 351; P.L. 101-624, Section 1717 [7 U.S.C. 2014(e)] and Section 1723 [7 U.S.C. 2015(c)(1)(A)]; P.L. 102-237, Section 908 [7 U.S.C. 2016(h)(1)]; Food and Consumer Services Administrative Notice 96-13, dated December 7, 1995; United States Department of Agriculture, Food and Nutrition Service Administrative

Notice 03-23, dated May 1, 2003; Letter from Food and Consumer Services to Fred Schack, dated March 25, 1996; Food Stamp Act of 1977; and Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

1. Adopt Section 63-508 to read:
2. Post Hearing: Amend Section 63-508 to read:
3. 15-Day Renote: Amend Section 63-508 to read:

63-508 QUARTERLY REPORTING

63-508

This section (QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

.1 General Quarterly Reporting Process

- .11 Eligibility and benefit amounts will be redetermined on a quarterly basis from information reported by the recipient on the Quarterly Eligibility/Status Report (QR 7), using PB as specified in this section.
- .12 An income/eligibility report (QR 7) will be required to be submitted once per quarter (in the third month of the quarter).
- .13 Recipients will have mandatory reporting requirements during the quarter, also known as mid-quarter changes.
 - .131 For public assistance households
 - (a) Changes of address.
 - .132 For non-assistance households
 - (a) Changes of address
 - (b) Work hours for ABAWD individuals
- .14 Generally, benefits are frozen for the three months of the quarter:
 - .141 Circumstances under which benefits may be adjusted during the quarter are:
 - (a) When a voluntary recipient mid-quarter report results in increased benefits;
 - (b) When a mandatory recipient mid-quarter report results in a decrease or discontinuance of benefits;
 - (c) When an individual or household requests discontinuance;
or

- (d) When a county-initiated action results in decreased benefits.

.15 Benefits shall not be decreased or discontinued during the quarter except as specified in this section.

.2 Quarterly Reporting Cycle

.21 The QR cycle is comprised of three consecutive months. The three months constitute a QR Payment Quarter. The terminology to describe the months and the quarter of an individual QR cycle are:

.211 QR Data Month: the month for which the recipient reports all information necessary to determine eligibility. The QR Data Month is the second month of each quarter.

.212 QR Submit Month: the month in which the QR 7 is required to be submitted to the CWD. This month immediately follows the QR Data Month and is the third month of each quarter.

.213 QR Payment Quarter: the quarter in which benefits are paid/issued in the three-month period immediately following the QR Submit Month.

.214 QR Reporting Period: the Submit Month prior to the current QR Payment Quarter, the first month of the current QR Payment Quarter, and the Data Month of the current QR Payment Quarter.

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The following table illustrates how months are arranged in a QR cycle.

			2 nd Quarter		
January	February	March	April	May	June
1 st Month of the Quarter	QR Data Month	QR Submit Month	QR Payment Quarter		

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.22 Aligning Reporting Cycles

Instances will occur when reporting cycles between the CalWORKs program and the Food Stamp Program could vary and may need to be aligned together. The general rule for doing this is for the CalWORKs

program to align its cycle with an existing food stamp household's reporting cycle, and for both programs to align their redeterminations and recertifications in the QR Submit Month. There may also be instances where the Food Stamp Program can align a reporting cycle to an existing CalWORKs reporting cycle.

- .221 Reporting cycles may be aligned between the Food Stamp Program and the CalWORKs program.
- .222 When an existing Food Stamp Program cycle has been established and a new CalWORKs application is approved, the CalWORKs program shall, whenever possible, align its reporting cycle to the existing Food Stamp Program.
- .223 The Food Stamp Program may align its recertification period with the CalWORKs redetermination date by lengthening the household's certification period, providing the certification period does not exceed a 12-month period as specified in Section 63-504.16.
- .224 The household's recertification period cannot be shortened, as provided in Section 63-504.15, solely to align the recertification with the CalWORKs redetermination period.
- .225 If the recertification is not aligned with the CalWORKs redetermination date, the CWD shall determine eligibility and take action mid-quarter to increase, decrease or discontinue benefits as specified in Section 63-504.6 and as determined by the CWD based on information reported on the recertification form and by the recipient.

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- (a) CalWORKs is active without an accompanying food stamp case. A food stamp application is approved mid-quarter in February, in a January/February/March quarter. Action on the food stamp case is to align to the existing CalWORKs reporting cycle and redetermination date which shall not exceed a 12-month duration. The household will be instructed to return the QR 7 by the 5th of March, the QR Submit Month. Both program reporting cycles are now aligned. The CWD will anticipate the household's income for February and March and average income over the two "start-up" months.

- (b) The same case as above, except the food stamp application is approved in January. The household is instructed to return the QR 7 by March 5th. The two program reporting cycles are now aligned. The CWD will anticipate income through the month of March, the QR 7 Submit Month. Income is averaged over the quarter. The January food stamp allotment is pro-rated because January is an application month.
- (c) The same case, except the food stamp application is approved in March. The household is instructed about their reporting cycle and that the QR 7 must be returned by June 5th. Both programs now have the same reporting cycle. The CWD will use actual/reasonably anticipated income received in March to determine benefits for March (i.e., the household received \$300 UIB in March, so \$300 is budgeted for March). The CWD will then anticipate the household's income through June, the upcoming quarter's Submit Month.

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.3 Quarterly Reporting Form – Quarterly Eligibility/Status Report (QR 7)

The CWD, at the time of the application interview, shall determine which households are subject to QR requirements. The CWD shall provide all QR households with the QR 7 for reporting the information and changes required by Section 63-508.4. The CWD shall provide assistance in completing and filing the QR 7 to households whose adult members are all either mentally or physically disabled, non-English speaking or lacking in reading and writing skills such that they cannot complete and file the QR 7. The CWD shall require QR households to submit a complete QR 7 by the 5th of each Submit Month. Recipient due dates and CWD time limits shall be modified by Section 63-102(c).

- .31 CWDs shall ensure that households receive the QR 7 at the end of each QR Data Month and no later than the first day of each QR Submit Month. Information reported on the QR 7 shall be used to determine eligibility and to prospectively budget income to determine the benefit level for the upcoming QR Payment Quarter.
- .32 CWDs must ensure that QR recipients provide information and answers to all questions and items on the QR 7 and attest, under penalty of perjury, that they have truthfully reported all required information.

.321 Recipients will be required to report all income received for the QR Data Month, any changes in household composition or property since the ~~submission of the last QR 7~~ last Data Month and any changes in income the recipient anticipates will occur in the upcoming QR payment quarter.

.322 Upon receiving the QR 7 the CWD shall:

- (a) Review the report to ensure completeness and consider the report incomplete if it does not meet the criteria for a complete QR 7, as defined in Section 63-508.4.
- (b) Determine those items which will require additional verification and/or clarification.
- (c) Notify the household, as specified in Section 63-508.6, of the need to correct an incomplete or inaccurate QR 7, and/or submit additional verification/clarification, as required by Section 63-508.613.
- (d) Determine the household's eligibility prospectively by considering all factors, including income, in accordance with Section 63-508.4.
- (e) Determine the household's level of benefits for that next QR Payment Quarter based on information reported on the QR 7, including anticipated income for that QR Payment Quarter, and household composition determined as of the Data Month. In calculating the household's benefit level, the following income and deductions shall be considered:
 - (1) Nonexcluded earned and unearned income received in the corresponding Data Month and any anticipated changes for the next ~~AR~~ QR Payment Quarter, including the earned income of an elementary or secondary school student only if the student is 18 years of age or older at the beginning of the Data Month. The CWD shall use the actual/reasonably anticipated amount received by the household to compute benefits, except as provided in Section 63-503.22.

- (2) Allowable deductions as billed or averaged from the corresponding payment quarter or as averaged over the certification period, including those shelter costs billed less often than monthly which the household has chosen to average.

- (f) Issue benefits, in accordance with the time frames set forth in Section 63-508.63.

.4 Completeness Criteria for the QR 7

The CWD shall consider the QR 7 complete if all of the following requirements are met.

- .41 The QR 7 is dated no earlier than the first day of the Submit Month.
 - .411 This requirement shall be met when the date entered on the QR 7, together with other dated material provided with the QR 7, and the date on which the CWD mailed or gave the QR 7 to the household clearly established the month and year to which the QR 7 applies.
 - .412 This requirement shall not apply when:
 - (a) The first day of the Submit Month falls on a non-postal delivery day;
 - (b) The QR 7 is mailed by the CWD for delivery on the last postal delivery day of the Data Month; and
 - (c) The recipient signs and dates the QR 7 on or before the last day of the Data Month.
- .42 The QR 7 provides the CWD with address (location) information sufficient to locate the household, however, households which do not have a fixed address shall not have their QR 7s rendered incomplete solely for this reason.
- .43 The QR 7 is signed by the head of the household, authorized representative, or responsible household member. The PA caretaker relative, natural or adoptive parent, if not one of the above, shall not satisfy this requirement.

.44 All questions and items pertaining to food stamp eligibility are fully answered and provide the CWD with the information to correctly determine eligibility and benefit level, except the CWD shall not consider the QR 7 incomplete if information regarding child/spousal support disregard payments had not been included.

.441 To be considered fully answered, information on the QR 7 together with attached documentation must provide sufficient information to allow for the determination of eligibility and/or benefit level.

.442 Questions on the QR 7 shall not be considered fully answered if situations such as, but not limited to the following exist:

(a) The QR 7 does not include information on changes that the household has previously reported to have occurred; for example, ~~and~~ an actual change that the household reported to the CWD by telephone mid-quarter was not included on the QR 7.

(b) The QR 7 does not include information that was reported on the previous QR 7 and the household does not indicate a change has occurred (e.g., the household previously reported earnings from two sources and only reported income from one source on the current QR 7).

(c) If elements pertaining to one program's requirements are missing from the QR 7, the QR 7 shall be considered incomplete for that program only.

(d) The CWD shall not consider the QR 7 incomplete if information regarding child/spousal support disregard payments has not been included.

.45 Verification is provided for gross nonexcluded earned income and nonexcluded unearned income for the Data Month when first reported and when there is a change in the amount of income received except as specified in Sections 63-504.325(a) and 63-505.311.

.451 For child/spousal disregard payments, the agency record shall be the verification.

.46 Verification is provided for the source of all excluded income when first reported on the QR 7 and any change in the source of the income.

.5 Timely and Late Quarterly Reports

.51 The QR 7 is due by the 5th of the Submit Month and is considered timely if it is received by the 11th calendar day of the QR Submit Month but not before the first calendar day of the QR Submit Month.

.52 The QR 7 is late if it is received after the 11th day of the QR Submit Month.

.53 The household shall be terminated from receipt of food stamp benefits if:

.531 There is no longer eligibility for food stamps in the upcoming Payment Quarter;

.532 A complete QR 7 is not submitted by the 1st working day of the new Payment Quarter;

.533 There is failure to comply with a non-financial eligibility requirement, such as the work registration requirements; or

.534 Termination of benefits is requested in writing.

.6 QR 7 Not Received or is Incomplete

The CWD shall provide a notice of action to a QR/PB reporting household which fails to file a QR 7 by the 11th day of the Submit Month or files an incomplete QR 7.

.61 The notice of action shall inform the household:

.611 That the QR 7 either is overdue or incomplete;

.612 What the household must do to complete the QR 7;

.613 If any verification is missing and the effect on the household's benefits level;

.614 That the SSN of a new member must be reported;

.615 What the extended filing date is; and

.616 That the CWD will assist the household in completing the report.

- (a) If the household submits a QR 7 by the date the CWD mails the notification of the missing QR 7, but fails to provide the required verification/information with the QR 7, the CWD shall notify the household of the need to submit the missing verification and/or information by the extended filing date as specified in Section 63-508.44(b).

The CWD shall not delay benefits if the missing verification/information is for a deduction. If the household fails to provide the missing verification and/or information, other than for income, by the extended filing date, the CWD shall not consider the QR 7 incomplete. Any deductions for which the verification/information is missing shall be disallowed.

- (b) The household shall provide with the QR 7 verification of the following items:
- (1) Dependent care costs which have changed since the last report or when there is questionable information which is inaccurate, incomplete, outdated, or inconsistent;
 - (2) If the household voluntarily reports a change in its medical expenses and fails to verify the change, and that change would increase the household's allotment, the CWD shall not make the change. The CWD shall act on reported changes without requiring verification if the changes would decrease the household's allotment or make the household ineligible, although verification which is required shall be obtained prior to the household's recertification.
 - (3) All expenses incurred in producing self-employment income;
 - (4) Residency as defined in Section 63-401 when there is a change;
 - (5) Social Security numbers or citizenship or non-citizen status for household members when there is a change.

(6) A change in the legal obligation to pay child support to a person not in the food stamp household and/or an increase in the amount of child support payments.

(c) The CWD may elect to require verification of housing costs when first allowed as a deduction and when there is an move address change.

(d) If the household submits information and/or verification with the QR 7 which the CWD determines to be questionable, the CWD shall notify the household as specified in Section 63-508.62. The household shall be allowed until the extended filing date to submit the necessary verification/clarification.

(e) The CWD shall contact the household as needed to obtain further information on specific items. These items include, but are not limited to:

(1) The effect of a reported change in resources on a household's total resources; and

(2) The effect of a reported change in household composition or loss of job or source of earned income on the applicability of the work registration or voluntary quit requirements.

.62 The CWD shall send the notice of action no later than 10 days before the end of the Submit Month and give the household until the extended filing date, as specified in Section 63-508.63, to file a complete QR 7. If a complete QR 7 is received after the 11th of the Submit Month, but prior to the mailing of the notice, the notice shall not be sent. If a household responds to the notice of action by submitting an incomplete QR 7, the CWD need not provide a second notice to the household.

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.621 Under the Saldivar v. McMahon court order, CWDs are to continue to provide timely and adequate notice.

.622 The recommended CDSS-developed forms to use in notifying households of a missing or incomplete QR 7 are the NA 960X or NA 960Y, respectively, or a county substitute containing all notice requirements.

- .623 Under QR/PB rules, an overissuance (O/I) will be established when the CWD is unable to decrease benefits due to the 10-day noticing provisions.

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- .63 After notifying the household, the CWD shall allow the household until the extended filing date to file a complete QR 7.
- .631 The household's participation shall be terminated effective the end of the ~~report~~ Submit ~~m~~Month, if the household fails to file a complete QR 7 by the extended filing date.
- .632 If the household does not submit a complete QR 7 by the extended filing date, the discontinuance remains in effect and the recipient must reapply for food stamp benefits, unless good cause is established.
- .64 Good Cause for Failure to Submit the QR 7
- .641 If the household reapplies for benefits in the calendar month following discontinuance for failure to submit a QR 7, the CWD shall determine if the recipient had good cause for failure to submit a complete and timely QR 7 for the previous quarter.
- .642 Good cause must be determined using the criteria listed under Section 40-181.23 in the CalWORKs program.
- .643 If the CWD determines that the household had good cause for failing to submit the QR 7 by the extended filing date, the CWD shall rescind the discontinuance action and determine food stamp eligibility and benefit amount based on the information on the QR 7. The recipient's QR cycle remains unchanged.
- .644 Once a full calendar month has passed since the QR 7 discontinuance date, the household may not claim good cause and must reapply for benefits.
- .645 If information reported on the QR 7 results in a decrease in benefits, the CWD must provide 10-day notice before taking action to decrease benefits.
- (a) Once good cause has been determined and the discontinuance rescinded, benefits must be released to the household at the previous higher amount until a 10-day notice can be sent to the recipient.

- (b) An overissuance will be established when benefits are released at a previous higher level as a result of the CWD's inability to decrease benefits without 10-day notice.

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Example: A household is receiving \$200 in food stamp benefits. In the October/November/December quarter, the Mother fails to submit her QR 7 for the month of November by December 11. After sending an appropriate discontinuance notice, the household still does not submit a QR 7. Benefits are discontinued effective December 31.

The household comes in on January 4 to reapply for aid. The CWD determines that the household had good cause for not turning in the November QR 7, due to mail delivery and pick up problems in the area. When the household submits the November QR 7, it reports having been approved for UIB in the amount of \$100 per week, which is new income not previously budgeted. With receipt of UIB, the household is eligible to \$100 in food stamp benefits. The CWD must restore benefits at the previous higher level of \$200 because it cannot provide 10-day notice to reduce January's benefits. The CWD must make a mid-quarter adjustment for the Jan/Feb/March Payment Quarter by sending the household a 10-day notice to decrease benefits effective February 1. There is a \$100 O/I for the month of January.

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- (c) If the QR 7 information results in an increase in benefits, and the CWD cannot increase benefits by the first month of the next QR Payment Quarter, a supplement shall be issued for that month and benefits increased for the remaining months of the QR Payment Quarter.

There is no opportunity for the recipient to claim good cause once a full calendar month has passed since the discontinuance date.

.65 Action on Information Reported on the Quarterly Report (QR 7)

Prompt action shall be taken on all reported changes to determine if the reported information affects the household's eligibility and/or benefit level.

.651 The CWD shall use the information on the QR 7 to determine continuing eligibility and benefit amount over the next QR period based on all eligibility factors.

- (a) The QR 7 must provide a report of income received by the household ~~in~~ on the QR 7, any changes in household composition or property since the ~~submission of the~~ last Data Month and any changes in income and medical, ~~child dependent~~ care and child support deductions the recipient anticipates will occur in the upcoming QR Payment Quarter. For treatment of shelter costs, refer to Section 63-509(a)(3)(B).
- (b) Based on the information provided on the QR 7, the CWD shall determine continuing eligibility using PB rules.
- (c) Changes that are reported on the QR 7 and result in an increase or decrease in benefits shall be made effective for the next QR Payment Quarter. Refer to Section 63-509(e)(2) for treatment of information reported on the QR 7 which would result in a voluntary mid-quarter change in the Submit Month.
- (d) Changes that are reported on the QR 7 and result in the household becoming ineligible shall terminate the household's participation effective the end of the Submit Month.

.652 When a recipient has made a voluntary or mandatory mid-quarter report in the current quarter, the information from that mid-quarter report shall be considered part of the case record, regardless of whether it resulted in a mid-quarter benefit change.

.653 When the recipient submits a QR 7 subsequent to a mid-quarter report of a change, CWDs must first review changes reported on the QR 7 to ensure that circumstances reported on the mid-quarter report are also reflected on the QR 7 and should proceed as follows:

- (a) No further action shall be required if the information reported on the QR 7 is consistent with information provided in the voluntary or mandatory report.
- (b) The CWD shall take action to resolve the discrepancy and determine the actual current household situation if the information on the QR 7 is not consistent with information provided in the voluntary or mandatory report. The CWD shall attempt to contact the recipient to resolve the discrepancy. The QR 7 shall be considered incomplete and appropriate noticing actions shall take place if the CWD is unable to contact the recipient or obtain resolution from such contact.

.654 New Household Member Reported on the QR 7

If a new household member is reported on the QR 7, the CWD shall take the following actions:

- (a) To complete the determination of eligibility, the CWD has the option either to require the household to complete the CA 8 or to contact the household to obtain the necessary information for the new member and update the last application.
- (b) If the household is determined eligible based on Data Month information, the CWD shall issue benefits for the new member effective the first of the next QR Payment Quarter. The new member shall be required to comply with the verification requirements specified in Section 63-300.5 and the work registration requirements specified in Section 63-407.
- (c) If the household is determined ineligible based on Data Month information, the CWD shall discontinue benefits after the 10-day notice is provided to the household.
 - (1) If the household was initially determined eligible based on Data Month information, and prior to authorization of benefits, the CWD learns in the Submit Month that the new member is ineligible, that information is considered a mid-quarter voluntary report of a change. However, the individual is considered an excluded household member and resources and income shall be treated as reported on the QR 7 in accordance with Section

63-503.442. The individual remains an excluded individual until a new eligibility determination is made with the next QR 7.

- (2) With receipt of the next QR 7, the excluded individual shall no longer be considered excluded and eligibility for continuing household eligibility shall be based on all Data Month information provided by the household. The former excluded member will ~~continue~~ continue to remain an excluded member only if the requirements of Section 63-503.4 are applicable.
- (3) Benefits for the household shall be discontinued at the end of the next QR Payment Quarter if the household is determined ineligible for benefits based on next quarter's Data Month information.

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Example: The quarter is January/February/March. The father is reported in the home for the first time on the QR 7 received in March indicating that the father is employed part-time. Based on the Data Month information, the father is eligible to be added into the household. On March 5, the CWD learns that the father became fully employed, which will render the household ineligible for benefits; however, the CWD has not yet taken action to authorize benefits for the new member. The information reported on March 5 is considered a mid-quarter voluntary report.

The father becomes an excluded household member and his income reported on the QR 7 is treated as an excluded person's income to determine benefits for the next QR Payment Quarter. His income/property must be reported on the next QR 7 and the father is now treated as a household member. He will be either added to the household at the beginning of the new quarter (July) or, if circumstances have not changed, the household will be discontinued after the 10-day notice is given to the household.

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.655 Treatment of a Previously Disqualified Household Member

A previously disqualified member shall be added to the household beginning the first of the month after the disqualification period ends. If the new member is not eligible to participate, income shall be treated as that of an excluded member as specified in Section 63-503.44. Benefits would be increased if the disqualification ends mid-quarter and would result in a mid-quarter increase.

.66 Resource Eligibility

.661 Resource eligibility is determined once per quarter. Information reported on the QR 7 is used to determine continuing property eligibility for the entire upcoming QR Payment Quarter.

- (a) No assessment of resource eligibility shall be made during the QR Payment Quarter.
- (b) ~~Actions shall not be taken mid-quarter on a voluntarily reported mid-quarter property change~~ can be taken mid-quarter if they do not impact eligibility.
- (c) The household remains eligible for the entire QR Payment Quarter if resources reported on the QR 7 along with resources previously reported do not exceed the resource limit.
- (d) The case shall be discontinued at the end of the QR Submit Month, with timely and adequate notice, if the household exceeds the resource limit based on property that is reported on the QR 7.
- (e) For households that exceed the resource limit on the QR 7, but during the Submit Month the household provides verification that the resources are below the resource limit, the household shall be considered resource eligible for the upcoming QR Payment Quarter. A discontinuance notice shall be rescinded and benefits reinstated for the QR 7 Reporting Period.

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Example: The designated quarter is January/February/March. The recipient submits a timely and accurate QR 7 for February on March 5. The CWD determines that the recipient is property eligible in the QR

Data Month of February. On March 20, the recipient receives a cash gift and deposits it in the household's bank account. The account balance, if considered, would render the household ineligible. The recipient is not required to report the bank account until the next QR 7 report is due (in June). If the recipient reports the account sooner, the county is not authorized to take any action to discontinue the case for exceeding the resource limit. Property eligibility is determined only once per quarter, based on information reported on the QR 7.

Example: Same QR Payment Quarter as above. The CWD discontinues benefits at the end of the QR Submit Month with timely notice based upon the household's property ineligibility reported on the QR 7. Later in March, the recipient notifies the CWD that the balance in the account is below the resource limit and verification is provided. The discontinuance shall be rescinded if all combined property and eligibility information contained on the current QR 7 renders the household eligible for continued benefits.

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.67 Household Composition Reporting Requirements

A household is required to demonstrate that it is eligible only once each quarter based on information reported on the QR 7.

.671 Households may voluntarily report changes in household composition during the quarter. Action on household composition changes reported during the quarter will only be taken if benefits can be increased. When considering the addition of a new household member, all resources and income of that person must be considered in the determination to increase benefits.

- (a) If the change would otherwise result in a decrease or discontinuance in benefits, no action shall be taken until the QR 7 is received.

Authority Cited: Sections 10554, 11265.1, .2, .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; and Food and Nutrition Service Quarterly Reporting waiver approval dated April 1, 2003.

1. Adopt Section 63-509 to read:
2. Post-Hearing: Amend Section 63-509 to read:
3. 15-Day Renote: Amend Section 63-509 to read:

(QR) 63-509 INCOME ELIGIBILITY AND BENEFIT 63-509
CALCULATION FOR QUARTERLY REPORTING

Section 63-509(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(a) Income Eligibility and Grant Calculation for Quarterly Reporting Households

Benefits for the QR Payment Quarter will be determined using prospective budgeting, reasonably anticipated income and income-averaging rules.

(1) Prospective Budgeting

Income and household information from the QR Data Month and anticipated changes in income and expenses must be considered when determining eligibility and benefit levels for a Payment Quarter. Documentation is required in the case folder which explains how income was projected in determining benefit calculations. Case narrative entries must include, but are not limited to, the following types of documentation:

- (A) Income the recipient states is expected in future months;
- (B) Whether anticipated income will be different than income that the recipient reported receiving for the QR Data Month;
- (C) Documentation of the reasons for not accepting the recipient's estimate if the information is questionable;
- (D) Other information used to determine what income will be used in the benefit calculations (verifications, employer's statements, case history, etc.) if the recipient's estimate is not used.

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Case narratives and other documentation will be critical when documenting new income, income that is expected to change, income that fluctuates, and income that is so unstable that the recipient cannot make a reasonable estimate of what income to expect in future months. QC reviewers will rely heavily on case documentation when reviewing case files to determine if benefits

have been issued in the correct amounts. To avoid QC errors, case documentation is a necessary requirement.

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(2) Reasonably Anticipated Income

Income is "reasonably anticipated" when the CWD determines it is reasonably certain that the recipient will receive a specified amount of income during any month of the QR Payment Quarter and applies to all income, earned or unearned.

If the amount of income or when the income will be received is uncertain (i.e., it cannot be reasonably anticipated), that portion of the household's income that is uncertain or cannot be reasonably anticipated will not be counted when determining income eligibility and benefit levels. ~~Income shall be considered to be reasonably anticipated if it is determined that:~~

If the household reports a decrease in income for the Submit Month, the CWD will treat it as a mid-quarter change and use the information of decreased income to anticipate income for the next QR Payment Quarter if the change continues into the next quarter.

Income shall be considered to be reasonably anticipated if it is determined that:

- (A) The income has been or will be approved or authorized within the upcoming quarter; and,
- (B) The household is otherwise reasonably certain that the income will be received within the quarter; and
- (C) The amount of the income is known.
 - 1. A determination of what income is reasonably anticipated is required when a household:
 - a. first applies for benefits;
 - b. reports new income on the QR 7;
 - c. reports on the QR 7 that income is expected to change;
 - d. has income that ~~fluctuates~~ changes; and

- e. makes a mid-quarter report of an income change.
2. Using Different Sources to Determine Reasonably Anticipated Income
- a. The sources used to determine what income is reasonably anticipated may differ based on the circumstances listed in 63-509.121. The following sources may be used, but are not all inclusive:
 - (i) information provided by an employer; and/or
 - (ii) the source of income; and/or
 - (iii) payment dates, hours of work; and/or
 - (iv) the recipient's estimation of income.
 - b. If, with the help of the recipient, a determination of how income will change cannot be made, only that portion of income that the household reasonably anticipates shall be used in the benefit calculation.
3. The following are guidelines to determine income that is reasonably anticipated by the household. They include, but are not limited to the following.
- a. Take into account income that the household reports/estimates (~~mid-quarter or on the QR-7~~) as being reasonably anticipated for the upcoming QR Payment Quarter;
 - b. If the household is unable to provide an estimate of anticipated income on the QR 7, the recipient, may be contacted for additional information;
 - c. If the household is unable to estimate future income with the CWD's assistance, the employer or source of income may be contacted with authorization from the recipient.
 - d. If income received during the past 30 days does not provide enough information to determine changes in income, take into account past income received by

the household as an indicator of income to expect over the next quarter, if it will provide a more accurate indication of fluctuations in future income.

- e. For seasonally fluctuating income, a review of the employment history for the most recent past season can be used if it will provide a more accurate indication of fluctuations in future income.
- f. Past income cannot be used as an indicator of anticipated income for the quarter if changes in income have occurred or can be anticipated.
- g. A new source of income, such as a new job, cannot be anticipated if it is uncertain when the job will start and/or what amount the recipient will be paid.

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Example: A recipient reports on the QR 7 that a household member will start a new job in the upcoming quarter. The household reports that the payday falls within the next QR Payment Quarter and reports the anticipated wage amount and expected hours. Because the timing and amount of the income is reasonably certain, the CWD should consider this income to be reasonably anticipated and therefore should use it in the benefit calculations for the next QR Payment Quarter. The CWD shall document the recipient's statement of expected hours and wages in the case file to substantiate the recipient's estimate.

Example: A household reports that a member has been verbally approved for State Disability Insurance (SDI). However, the household member has not received an actual award letter or check, and does not know the exact start date or amount. Because the timing and amount of the income is not known, the CWD should not prospectively use this income in the calculation for the upcoming QR Payment Quarter. If the hours/rate of pay can be anticipated, but the start date of pay is not known, then the CWD cannot anticipate the income.

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(3) Reasonably Anticipated Medical, Child Support and Child Care Expenses

(A) Medical, child care and court-ordered child support expenses shall be determined as follows:

1. Determine the expense amount that is reasonably anticipated in each month of the quarter.
2. Average the anticipated amounts over the months of the quarter and use the resultant amount as the expense deduction when computing benefits.
3. Expenses paid on a weekly or bi-weekly basis shall be converted to a monthly deductible expense by multiplying the weekly and bi-weekly figure expense by 4.33 or 2.167 as appropriate if income is also multiplied by these conversion factors.
4. Document the rationale for the determination of the anticipated expense deduction.

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		Example 1	Example 2
Child Care for:	January	\$175	\$200
	February	200	0
	March	150	150
	Total	\$525	\$350
Quarterly Expense 5:3		\$175	\$116

The allowable average child care expense for the Quarter in Example 1 is \$175. In Example 2, it is \$116.

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(B) Shelter Costs

Shelter costs shall be determined at application and recertification and shall remain fixed at the determined amount until the household reports either a change on the QR 7, ~~or~~ makes a voluntary mid-quarter report, or a mandatory report of a move.

1. Increased shelter costs reported mid-quarter shall be recomputed using the new shelter cost ~~once it has been verified~~. The new shelter deduction amount is fixed and will remain the same until another change is reported or until the next recertification occurs.
2. If the report of a shelter cost increase results in increased benefits mid-quarter, the increased cost need not be reported on the next QR 7. Food stamp benefits shall be supplemented if benefits can be increased mid-quarter.
3. If a report of a shelter cost decrease would result in a mid-quarter decrease, the recipient shall be notified via a "No Change NOA" that no mid-quarter change resulted ~~and that the decreased shelter amount be reported on the next QR 7.~~

(C) Utility Costs

Utility costs shall be determined at application and at recertification and shall remain at the same fixed amount during the certification period, with the exception of households entitled to the SUA. Households that have elected the SUA at initial application, recertification or when a household moves may switch to actual utility expenses per Section 63-502.363(5)(c).

1. Households that switch utilities mid-quarter shall have their benefits supplemented if the result of the utility change would increase benefits. In no event shall benefits be decreased mid-quarter for utility changes elected by the household.
2. A "NO Change NOA" shall be sent to the household ~~with a reminder to report the new utility election on the next QR 7 if the utility election would cause benefits to decrease mid-quarter~~ within 30 days of the reported change.
3. Anticipated actual utility amounts shall be averaged over a 12-month period and the resultant monthly amount shall remain fixed until there is another utility change at recertification or when the household moves.
 - a. The CWD shall verify, at county option, a household's utility expenses if the household requests to claim expenses in excess of the SUA and the expense would actually result in a deduction higher than the SUA.

(4) Income Averaging Over the Quarter

(A) Averaging Income Reported on the QR 7

The following basic income averaging steps shall be taken to determine the monthly income average that shall be used in the benefit calculation for fluctuating income over the QR Payment Quarter.

- ~~1.~~ ~~Add the reasonably anticipated gross earned income for each month of the quarter and divide by three. If the household receives the exact amount of income from month to month in the QR Payment Quarter, averaging over the quarter is not necessary.~~
21. Add the reasonably anticipated gross unearned income for each month of the quarter and divide by three. If the household receives the exact amount of income from month to month in the QR Payment Quarter, averaging over the quarter is not necessary. (Refer to Section 63-509(a)(5) for usage of the weekly and bi-weekly conversion factors when averaging income over the QR Payment Quarter.)
32. Apply all applicable allowances and deductions to the averaged income amounts to generate an average Net Non-exempt Income (NNI).
43. Add the NNI of each income type together to determine the average monthly NNI for the household.
54. For households that receive a CalWORKs benefit, the actual CalWORKs grant amount for each month must be used when computing food stamp benefits. The actual anticipated CalWORKs grant shall not be averaged over the QR Payment Quarter.

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Example: The quarter is October/November/December. The mother submits the QR 7 for November to the CWD on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season ends. She reports that she will be paid \$900 in January and \$800 in February. The mother's aided spouse is also receiving

Unemployment Insurance Benefit (UIB) of \$100 paid bi-weekly.

Benefits for the January/February/March quarter are computed based on the income the household anticipates it will receive for that quarter as follows:

Income Determination

Earned Income for January	\$900
+Earned Income for February	800
+Earned Income for March	0
Subtotal Earned Income for Quarter	\$1700
Earned Income Divided by 3	\$ 566.67

Computation

Averaged Gross Monthly Earned Income	\$566.67
Less Earned Income Deduction	-113.33
Less Standard Deduction	-134
Average Monthly Net Earned Income	\$319.34
Add average Monthly Net Earned Income	+319.34
Add Average Monthly UIB (\$100 x 2.167)	+216.70
(For usage of conversion factors, refer to (B) below)	
Add CalWORKs Monthly Grant	+372
Subtotal	\$908.04
Less Excess Shelter Deduction	- 350
Net Income	\$ 558

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(5) Weekly and Bi-Weekly Conversion Factor Usage

Under the following circumstances the CWD shall add weekly or bi-weekly Data Month income amounts reported on the QR 7 and divide that total by the number of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factors shall be applied.

- (A) ~~An Assistance Unit (AU)/household (HH)~~ reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming quarter compared to the data month income actually reported on the QR 7, and the CWD is in agreement with the household's report of no change in income, or
- (B) An AU/HH household reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does anticipate changes in its income in the upcoming quarter, but the county determines in its follow-up review that the AU's/HH's reasonably anticipated income in the next quarter will not change from what was reported in the Data Month on the QR 7, or:
- (C) A household reports that it is paid on a weekly or bi-weekly basis, indicates that there are changes in income in the upcoming quarter, the amount is known and will remain the same for the entire QR payment quarter, and the CWD is in agreement with the reported income.
- (D) The average weekly and bi-weekly amounts arrived at above shall be converted to a monthly amount by using a 4.33 conversion factor for weekly payments and a 2.167 conversion factor for payments received bi-weekly.
- (E) The conversion figures can only be used if weekly and bi-weekly payments are paid throughout the entire QR Payment Quarter for each week or for every-other week in the quarter.
- (F) The conversion factors shall not be used for income received on a monthly or semi-monthly schedule.

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Examples:

1. The recipient reports on the QR 7 that 4 weekly paychecks were received in the following amounts: \$115, \$100, \$135 and \$95. The recipient also indicates on the QR 7 that his/her income is not expected to change during the next payment quarter compared to reported income on the QR 7. The CWD will add the 4 weeks of income together, divide by 4 and then factor the resultant amount by 4.33 (use the appropriate conversion factor for the payment frequency) to arrive at the monthly income amount for the next QR Payment Quarter. If 5 pay periods were reported in the

Data Month on the QR 7, the CWD will add each week together and divide by 5 and then factor the resultant amount by 4.33.

2. The QR Payment Quarter is January/February/March. The recipient indicated on the QR 7 that weekly income of \$100 was received in the Data Month and marks on the QR 7 that this income amount will not continue during the upcoming QR Payment Quarter. The CWD consults with the recipient and finds out that the recipient anticipated a change in income because he/she hopes to get a new job in the next quarter but has no firm offer. The recipient states that if he/she does not get a new job, he/she will continue at the current job throughout the next quarter making the same amount. Due to the speculative nature of the new job and the recipient's statement regarding the current job, the CWD determines that the income reported in the data month on the QR 7 is reasonably anticipated to continue during the next quarter. Therefore the CWD would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount for the next QR Payment Quarter (In this example, because the 100 weekly amount remains the same for each pay period, the step requiring that the weekly amounts be added together and divided by the number of pay periods is not necessary)
3. The recipient reports on the QR 7 that she is paid on a weekly basis except she only works 3 weeks in a month and indicates that this frequency of pay will remain the same throughout the QR Payment Quarter and will remain unchanged throughout the next QR Payment Quarter. She is typically paid \$115, \$100, \$135. The CWD will add the 3 weeks of income together to arrive at a reasonably anticipated monthly income for the next QR Payment Quarter. Since income is not paid every week of the QR Payment Quarter, the income cannot be factored.

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- (6) Benefit Determination Based on Income That Will Change in the Upcoming QR Payment Quarter
 - (A) When the household has or reports income that will change during the next QR Payment Quarter, the determination of whether income is reasonably anticipated will require additional steps and thorough case documentation. First use the ~~recipient's~~ household's

anticipation of income estimate if the recipient household is able to provide ~~one~~ it and if there is no conflicting information. If the information is questionable or the recipient household is unable to estimate anticipate future income, the recipient household may be contacted to obtain additional information about anticipated pay and/or hours of work. If the recipient household cannot be contacted, or if the recipient household and/or the CWD are unable to estimate anticipate future income levels, ~~with the recipient's written permission, or~~ the CWD with the household's written permission, may contact the recipient's household's employer regarding anticipated work hours or pay.

- (B) If the CWD is still unable to reasonably estimate anticipate future income, the CWD may also look at the recipient's prior work patterns to assist in determining the number of future work hours, if the recipient states that s/he had prior work hours/wages that are similar to the anticipated work pattern. This may include asking the recipient to provide available prior work information and/or reviewing information in the case file. The CWD is not limited to reviewing income from the previous quarter only, but may use income information from the past 12 months to help establish patterns in ~~fluctuating~~ income. However, if the household states that his/her future work hours and wages will differ from prior work patterns, the CWD shall not use the prior work patterns to determine the income for the QR Payment Quarter.

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Example: A teacher's aide works part time from September through June 5 of every year. Historical case data indicates that she has also worked every year through the summer as a tour guide at the zoo. She did not report the summer job on her QR 7. The CWD will need to look at the case file for prior work information and must clarify with the recipient whether she is working or will be working during the summer months, as she has in previous years. Only after clarification is obtained can the CWD determine what income is reasonably anticipated when determining the food stamp benefit amount for the recipient.

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(b) Mandatory Mid-Quarter Changes to Benefits

Recipients may report mid-quarter changes in writing, verbally or in person to the CWD. If a recipient chooses to verbally report a mid-quarter change, the CWD shall document the report in the case file.

(1) Mandatory Recipient Mid-Quarter Reports

(A) Recipients are mandated to report the following changes to the CWD within 10 calendar days of the date the change becomes known to the household:

1. For both PAFS and NAFS households, address changes and the accompanying shelter cost changes;
2. For NAFS cases, any reduction in the number of hours worked to less than 20 hours per week or 80 hours per month for ABAWDs. Persons who are satisfying the ABAWD work requirement through a combination of education/training and employment of less than 20 hours per week are not subject to the mid-quarter requirement when hours of employment are reduced.

(B) Action shall be taken on the food stamp case when the following mandatory CalWORKs changes are reported in the CalWORKs program:

1. Drug felony convictions;
2. Fleeing felon status;
3. Violation of conditions of probation or parole;
4. Income exceeds the IRT.

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- a. The CalWORKs IRT level is the greater of 130 percent of the FPL for family size or the level at which a family becomes financially ineligible.
- b. The CalWORKs Program is responsible for informing recipients of their individual IRT levels.
- c. The Food Stamp Program is responsible for monitoring the IRT change reported in the CalWORKs case and acting on the information as discussed in Section 63-212(d).

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(c) Action on Mandatory Recipient Mid-Quarter Reports

(1) Drug Felony Conviction, Fleeing Felon Status, Parole/Probation Violations

Food stamp recipients are not required to report a change in drug or fleeing felon status or probation/parole violations mid-quarter. However, if a CalWORKs household reports drug or fleeing felon or parole/probation violation, the CWD shall be required to act on the reported information in the food stamp case. The CWD must discontinue the individual from the PAFS household at the same time CalWORKs discontinues the individual, at the end of the month after 10-day notice can be provided.

(2) Change of Address – Move Out of State

This reporting requirement is applicable to both PAFS and NAFS households. A timely notice of action is not required if the CWD determines that the household will not be residing in the state. Action to discontinue the household shall be for the end of the month in which the change was reported. An adequate notice is required.

(3) Change of Address – Move Out of County

A PAFS household that moves out of county shall be discontinued from the prior county at the same time the transfer of the CalWORKs case is completed; the transfer is completed when the former county discontinues the CalWORKs case as specified in Section 63-503.7.

(A) NAFS households shall be terminated at the time an address change is reported in another county. (Continued)

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Example: PAFS Case

A ~~recipient~~ household is currently living in County A. On February 5th, the ~~recipient~~ household informs County A that she now lives in County B. Due to the CalWORKs transfer period, County A will continue benefits to the ~~recipient~~ household until March 31st. County B will pick up the CalWORKs case on April 1st. FS benefits will be discontinued in County A on March 31st to coincide with the transfer period of the CalWORKs case. The ~~recipient~~ household may reapply for FS benefits any time after moving to County B, but will not be eligible to receive FS benefits in County B until April 1st. County A is responsible for ensuring

that the ~~recipient~~ household can easily access FS benefits for February and March.

Example: NAFS Case

A ~~recipient~~ household is currently living in County A. On February 5th, the ~~recipient~~ household informs County A that she now lives in County B. FS benefits will be discontinued in County A effective the end of February and County A shall inform the household that a new application is needed in County B for food stamp benefits to resume.

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(4) CalWORKs Income Exceeds the IRT

There is no mandatory mid-quarter recipient requirement to report income in excess of the IRT for the ~~FS~~ food stamp household. If the CalWORKs benefits did not change as a result of the report of IRT (the CalWORKs household was not discontinued), no further action is required in the PAFS case. However, for PAFS cases, if information regarding income that exceeds the IRT is reported in the CalWORKs program and results in discontinuance of CalWORKs benefits, the ~~FS~~ food stamp benefits must be recalculated as described below:

- (A) If the CalWORKs household reports income that exceeds the IRT, the CWD shall determine if the CalWORKs household's benefits will be continued or discontinued.
- (B) If CalWORKs benefits will be continued, no further action is required in the PAFS case.
- (C) If the CalWORKs cash grant is discontinued, ~~the CWD shall determine if NAFS QR household's benefits would increase or decrease.~~ Households whose CalWORKs benefits are discontinued shall be ~~determined~~ eligible processed for Transitional Food Stamp Benefits (TFS).

(d) Voluntary Mid-Quarter Recipient Reports

Recipients may report mid-quarter changes in income and circumstances in writing, verbally or in person at any time during the quarter. The CWD shall only take mid-quarter action on those voluntary reports that result in an increase to benefits except as provided in Section 63-509(d)(8). Some mid-quarter reports that may increase benefits are, but not limited to, income decreases, someone moves into the home, an allowable deduction increases. If a recipient chooses to

verbally report a mid-quarter change, the CWD shall document the report in the case file.

- (1) Action to increase benefits shall be effective in the month the change actually occurs or is reported, whichever is later, and after all verification has been received.
 - (A) If the change occurred prior to the date of report, recalculate and increase benefits based on the date of report after verification is received.
 - (B) If the change will occur in a future month, recalculate and increase benefits based on the date the change is expected to occur after verification is received.
- (2) Voluntarily reported changes may result in an increase in benefits for one program (CalWORKs), while decreasing benefits for the other program (Food Stamp Program). Action shall be taken to increase benefits in the one program, while suppressing the decrease to the other program's benefits.
- (3) Verification shall be requested immediately from the recipient when there is a decrease in income or a new household member is reported in the household, or for other changes that would require verification when benefits are increased. Action to increase benefits shall not take place until verification is received. The recipient shall be allowed 10 days to provide the requested verification.
- (4) The effective date for increases in benefits is determined differently for increases due to decreased income than for increases due to adding household members. Those effective dates are as follows:
 - (A) Increases due to decreased income are effective the first of the month in which the change is reported or the month the change occurred, whichever is later.
 - (B) Increases due to the addition of new household members are effective the first of the month following the report of the change.
- (5) When a household includes two members with income and one member experiences a decrease in income, only the decreased income of the one member is used to recalculate benefits.
- (6) If there are different sources of income received by the household and a decrease is reported for one of the sources, the CWD shall recalculate benefits using only the income from the decreased source. The

recalculated income shall be added to the existing averaged household's income.

- (7) A "No Change NOA" shall be sent to the recipient when benefits cannot be increased. The "No Change NOA" must be sent within 30 days of the reported change. The NOA must remind the recipient to re-report the change on the QR 7.

The NOA must remind the recipient to re-report the change on the QR 7.

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The QR 377.4 has language under the "No Change in Benefits" check box that informs households that any voluntarily reported changes must be reported again on the next QR 7 and supported with verification of the change.

CWDs have the option of ~~processing~~ beginning to process voluntary mid-quarter reports prior to the end of the quarter that do not result in a change in benefits. However, the CWD must ensure that the information reported on the QR 7 is consistent with the "no change report" and information reported by the household. ~~The CWD shall also determine eligibility for the next QR Payment Quarter using the most current known information.~~

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- (A) If information on the QR 7 is inconsistent with what was previously voluntarily reported mid-quarter, action shall be taken to resolve the discrepancy and to determine the actual current household circumstances.
- (B) The discrepancy should first be attempted to be resolved by contacting the recipient. If this contact is not possible, the QR 7 shall be considered incomplete.
- (C) If a Non-Assistance Food Stamp (NAFS) household voluntarily reports income over 130 percent of the Federal Poverty Level (FPL), the household shall be discontinued mid-quarter. Only voluntarily-reported income exceeding 130 percent of the NAFS household, excluding the mid-quarter report of a new household member and his/her income shall render the NAFS household ineligible (refer to Section 63-509(f)(4)(A). Only voluntarily reported income exceeding 130 percent FPL excluding the mid-quarter report of a new household member and his/her income, shall render the NAFS household ineligible [refer to Section 63-509(f)(4)(A)].

(e) Action on Voluntary Mid-Quarter Recipient Reports

To determine if the voluntary reported change results in increased benefits mid-quarter, a recalculation of benefits for the current and remaining months of the quarter using the new income that the household reasonably expects to receive is required. If the anticipated income will be different in each of the remaining months of the quarter and the recipient knows with reasonable certainty what the amount would be for each month, the new income shall be averaged for the current and remaining months in the quarter.

- (1) When the CalWORKs grant is supplemented, the new CalWORKs grant amount to be used in the FS budget will include the original CalWORKs grant, as well as the additional CalWORKs supplement.

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Example 1: A household of three is receiving cash aid of \$192 and FS benefits of \$165. The grant amount was based on the mother having earned income of \$1200 per month. In the April/May/June quarter, the mother reports on April 5 that she lost her job the day before. She will only receive one more paycheck that month for \$600, and anticipated no additional income after that. The CWD immediately requests verification of the job loss, and the recipient provides it by April 10. The CWD uses the new income to recalculate benefits for that month, as well as for the remaining months of the current quarter as follows:

Recalculation of averaged income:

\$600	(April Actual)
+ 0	(May anticipated)
+ 0	(June anticipated)
\$600	

Divide the total by 3 (the number of months for which new income is expected) = \$200 per month. After re-computing the current and remaining months in the Quarter, the new CalWORKs grant is \$679.

Food Stamp Program Computation:

Average Monthly Income	200
Add New CalWORKs Grant	+679
Less Earned Income Deduction	- 40
Less Standard Deduction	-134
Subtotal	\$705
Less Excess Shelter Deduction	\$350

Net Income	\$355
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New Allotment Amount	\$259
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Benefits Received	-165
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Supplement for April	\$ 94
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Example 2: Using the same scenario as in Example 1, except that the mother reports on May 5th that she lost her job and will only get one paycheck for \$600 in May and expects no income for June.

Recalculation of averaged income:

+ \$600	(May actual/anticipated)
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+ 0	(June anticipated)
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$\$600 \div 2 = \300

The new CalWORKs grant amount is \$642 after re-computation.

Food Stamp Program Computation:

Average Monthly Income	\$300
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Add New CalWORKs Grant	+642
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Less Earned Income Deduction	- 60
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Less Standard Deduction	-134
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Subtotal	\$748
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Less Excess Shelter Deduction	-350
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Net Income	\$398
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New Allotment Amount	\$246
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Benefits Received	-165
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Supplement for May	\$ 91
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- (2) If decreased income is reported for the first time on the QR 7 rather than as a mid-quarter voluntary report, the CWD shall treat the report of decreased income as a voluntary mid-quarter report in order to determine if a supplement should be issued in the Submit Month.

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Household changes that occur in the Submit Month and are reported on the QR 7 will be considered voluntary mid-quarter reports, and acted upon as such.

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- (3) If a recipient has reported a voluntary mid-quarter decrease in income or increase in food stamp expenses, and the CWD has taken appropriate action to increase the cash aid and/or FS benefits, the CWD shall not take action to adjust benefits again if the recipient reports the same change later in the quarter.

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The household includes a mother and two children. The mother was working full-time and receiving \$1200 per month gross earnings. On May 5 of an April/May/June quarter, the mother reports that she lost her job and expects to receive one last paycheck in May for \$600 and no income for the month of June. The CWD recalculates benefits for May and June, using \$300 per month gross income (the new averaged income amount), and issues a food stamp supplement to the household for May and increases the June allotment. In June, the mother calls her worker and reports that she will not receive any income in June. Since the zero income amount has already been taken into consideration when calculating May and June benefits, the CWD would not act on the mother's report of "decreased" income in June.

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- (4) In any instance where two or more changes are reported to the CWD at the same time, the CWD must evaluate each change separately and according to the sequence of occurrence, keeping in mind the timing of when benefits can be increased based on decreased income and new household members being added to the household unit. The evaluation of separate events is also applicable to reports of mandatory reports of changes.

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Example: A household consists of mother and one child. The QR Payment Quarter is January/February/March. A second child enters the home on January 5th and the mother loses her job on January 7th. Both changes are reported to the CWD on January 9th. The first change occurred on January 5th where the job was lost. Since this is a mid-quarter change, benefits can be increased mid-quarter. The second change occurred on the 7th with the second child entering the home. The child is eligible and is included in the household effective February 1st.

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- (f) Household Composition Changes Reported Mid-Quarter

Recipients may voluntarily report changes in household composition at any time during the quarter. Action should only be taken on those changes that result in an increase to the household's benefits.

If the change results in increased benefits, action shall be taken to add the person effective the first of the month following the month in which the change was reported, after all verification has been provided. If it does not result in an increase, no action shall be taken to change the household's benefits until the following quarter.

- (1) The following are steps to be taken when a new person is reported in the home.
 - (A) Review eligibility for the new person in accordance with Food Stamp Program regulations as an initial step to determine if the new household member should be included as part of the household.
 - (B) If the new person should be included in the household, determine if the household meets all non-financial eligibility criteria.
 - (C) If the household meets all non-financial eligibility criteria with the addition of the new person, continue to determine if the new person has income that should be included in the benefit calculation.
 - (D) Run a test benefit calculation to determine if adding the person and his/her income to the pre-existing household's income would result in an increase or decrease to the household's benefits. Add the new person's income for the months in which they would be added to the household. The existing household's income shall not be reaveraged to include the new household member's income.
 - (E) When taking action to add the new person into the household, include the new person's income along with the household's pre-existing income to recalculate benefits for the month the person is added to the household and any remaining months in the quarter. The existing household's income shall not be reaveraged to include the new household member's income.
- (2) Adding a New Household Member Mid-quarter
 - (A) When all verification is received, all eligibility factors are met and the addition of the new person results in increased benefits, add the new household member to the household and increase benefits to the household, as a mid-quarter change, effective the first of the

month following the month in which the change was reported.

- (B) In any circumstance where the new household member has income, only that member's income is averaged over the remaining months in the quarter. The new household member's averaged income is then added to the existing household's averaged income to determine if benefits are to be increased or would result in a decrease mid-quarter. The new household member's averaged income is used to calculate benefits only for the months in which the new member is included in the household.

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Example 1: The CWD is currently aiding a two-person household consisting of a mother and child. The designated quarter for this example is January/February/March. The mother voluntarily reports in February that the father moved into the home in February and the father has no income. After establishing eligibility for the father, the CWD adds him to the household effective March 1.

Example 2: Same scenario as in Example 1 except the mother does not voluntarily report the father as moving into the home in mid-quarter. She waits until she submits the QR 7 in March to report that the father moved in during February. The CWD would add the father to the household effective the first of April.

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- (3) ~~New Person~~ Household Composition Change Results in Decreased Benefits

- (A) If the result of a new person reported in the household decreased benefits, no action shall be taken to decrease benefits mid-quarter. A NOA shall be sent to the household informing them that the voluntary report of the new person did not increase benefits. The NOA shall remind the household to report the new person and any income or property he/she has on the next QR 7.

1. The CWD shall treat notification of a recipient death mid-quarter as a voluntary recipient report for discontinuance of benefits for the deceased individual. If the information was received verbally, the CWD shall discontinue benefits at the end of the month in which timely and adequate notice can be provided. If the information was received in writing, the CWD shall discontinue at the end of the month

with only adequate notice.

- (B) Information reported on the QR 7 shall be used in the determination of eligibility and benefit level for the upcoming quarter. The earliest the benefits could be decreased is the first of the next Payment Quarter provided 10-day notice is given. Discontinuance of benefits for ineligibility shall occur at the end of the Submit Month.

(4) New Person Results in Financial Ineligibility or Ineligibility Due to Other Eligibility Factors

If addition of the new person would render the household ineligible mid-quarter, no action shall be taken to change the household's benefits. A NOA shall be sent to the household informing them that the voluntary report of the new person did not increase benefits and that the household is responsible for reporting the new person and his/her income/property on the next QR 7. The earliest that food stamp benefits can be discontinued is the end of the Submit Month.

- (A) Only voluntarily reported income exceeding 130 percent of FPL of the NAFS household, excluding the mid-quarter report of a new household member and his/her income, shall render the NAFS household ineligible per Section 63-509(d)(8).

(g) Voluntary Recipient Request for Discontinuance of Benefits

Benefit adjustments shall be made mid-quarter when a recipient requests discontinuance of benefits. A recipient may voluntarily request mid-quarter that the entire household be discontinued; or for any individual member of the household who is no longer in the household.

(1) Recipient Makes a Verbal Request for Discontinuance of Benefits

A verbal request shall require that a 10-day notice be sent before discontinuance or a decrease in benefits can be made at the end of the month. A written request shall require that an adequate notice be sent at the end of the month.

(2) Recipient Makes a Written Request for Discontinuance of Benefits

A voluntary mid-quarter report of someone leaving the home shall not be assumed to mean that it equates to a voluntary request for discontinuance of the household member. A determination must be made to determine whether the voluntary mid-quarter report of someone leaving the household is actually a request of discontinuance by contacting the

household to clarify the report and to inform the household that a discontinuance of the individual will result in decreased benefits mid-quarter. Discontinuance of the individual shall occur only if he/she is out of the home or is considered a separate household member.

(h) County-Initiated Mid-Quarter Actions

In addition to making mid-quarter adjustments to benefits as a result of mandatory and voluntary recipient reports mid-quarter, action shall also be taken on certain changes in eligibility status at the end of the month in which timely and adequate notice can be provided to the household.

(1) Changes Resulting in County-initiated Actions Mid-Quarter

The changes that are considered county-initiated and that can occur at any time during the quarter:

- (A) Sanctions or financial penalties;
- (B) Failure of the household to comply with a Quality Control Review.
- (C) Benefits are applied for and approved for a household member in another household or for the household;

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Example 1: Current quarter is Jan/Feb/March. The current food stamp household consists of a mother and two children. On February 4th, one of the children goes to live with grandmother. Grandmother comes in to apply for food stamps for the child on February 5th. Since duplicate aid cannot be authorized for the child now living with the grandmother, the child must be deleted effective the end of February with a 10-day NOA from the mother's food stamp household, and aid will be authorized effective the first of March for the grandmother and the child. The application for February will be denied for the child, however, if the grandmother was eligible, aid would be granted for her.

Example 2: Current quarter is Jan/Feb/March. The current food stamp household consists of a mother and two children. On February 4th one of the children goes to live with grandmother. Grandmother comes in to apply for food stamps for the child on February 25th. Since duplicate aid cannot be authorized for the child now living with the grandmother, the child must be deleted effective the end of March with a 10-day NOA from the mother's food stamp household, and aid will be authorized effective the first

of April for the child. The application for February and March will be approved for the grandmother if eligible, and denied for the child.

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- (D) Discontinuances due to the termination of a CalWORKs inter-county transfer as described in Section 63-503.7;
- (E) Status changes in the California Food Assistance Program (CFAP).
- (F) Cost-of-Living adjustments (COLAs) for the Food Stamp Program, CalWORKS, General Assistance and for those COLAs administered by the Social Security Administration.
- (G) Adjustments due to erroneous or incomplete recipient QR 7 or mid-quarter reports of information or lack of action by the county on the QR 7 or mid-quarter recipient reports.
- (H) The three-month time limit for an ABAWD ends or an ABAWD who has regained eligibility and subsequently stops meeting the work requirements.
- (I) Discontinuance due to an ineligibility determination when recertification falls outside the Submit Month.

(2) County-Initiated Actions To Be Taken at the Beginning of the Quarter

An exception to mid-quarter county-initiated actions occurs when adjustments/reductions to benefits are begun for recoupment of an O/I per Sections 63-801.44 and .45. This action shall be taken at the beginning of a quarter.

(3) Known to County Information

(A) Use of Known to County Information

Information that is "known to county" and is considered information that is subject to mandatory reporting shall be used to:

1. Calculate an OI when the information received is obtained after benefits have been issued, such as in the case of Income and Eligibility Systems (IEVS) matches; and
2. Take prospective action to change benefits mid-quarter or at the beginning of a quarter if information reported by the

recipient does not accurately reflect a mandatory mid-quarter report of information or information reported on the QR 7.

(B) CWD Action on Public Assistance (PA) Changes Known to CWD

1. Changes to PA benefits shall be considered information that is known to county.
2. All changes to PA benefits shall be reviewed by the CWD for possible benefit increases or decreases by calculating a new budget.
3. Food stamp benefits shall be increased if the calculation indicates such an increase.
4. If a mid-quarter decrease is indicated, benefits cannot be decreased.

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Example 1: A county becomes aware that the CalWORKs grant has decreased mid-quarter. The CWD will calculate the impact on food stamp benefits to determine if benefits can be increased or decreased. If the calculation indicates an increase, the CWD will supplement/increase benefits. Benefits would not decrease mid-quarter. **This is an exception to the general QR rule that does not permit an increase to benefits mid-quarter unless they are reported by the household as described in the next example.**

Example 2: A county becomes aware of known to county information that UIB being budgeted is exhausted. There are two months remaining in the QR Payment Quarter. The county will not act on this information to increase benefits. The recipient must report that UIB is ending before benefits can be increased mid-quarter.

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- (C) CWDs shall not act on information "known to county" that is not required to be reported, even if benefits could be increased mid-quarter based on the given information. The recipient must report a change before benefits will be increased.

- (i) Third Party Information

Third party information is not known to the county and is a report from an anonymous source about a household's circumstances. ~~If information reported from a third party brings food stamp eligibility into question, the CWD must contact the household for clarification of the circumstance or take other action, such as making a fraud referral, as deemed appropriate by the CWD.~~

- (j) CWD Action on Information Obtained from Match Systems

- (1) The CWD shall consider information received from match systems such as the Income and Eligibility Verification System (IEVS), the Payment Verification System (PVS), and other such sources for purposes such as:
 - (A) To determine if information reported on QR 7s is accurate;
 - (B) To determine if a fraud referral or an overissuance claim/adjustment is necessary;
 - (C) To determine if clarification of current eligibility is necessary.

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The following examples apply only to Public Assistance households:

Examples of Match Systems information include, but are not limited to: Eligibility Verification System (IEVS), Payment Verification System (PVS), Integrated Fraud Detection/Earnings Clearance System (IFD), Franchise Tax Board (FTB), Asset Match/Internal Revenue Service (IRS) Match, Beneficiary Earnings Exchange Record (BEER), New Hire Registry (NHR), other matches from special investigative units, and known information from CalWORKs or other assistance programs.

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- (k) Resolving Conflicting Information Based on Third-Party/Known to County Reports

The recipient shall be contacted and informed that eligibility information is in question. The recipient shall be given the opportunity to verify the correct circumstances before action is taken to reduce/correct benefits. Action shall not be taken mid-quarter based on third party information regarding changes that the household is not required to report during the quarter.

(1) Treatment of Multiple Changes Within A QR Payment Quarter

Multiple changes during a QR Payment Quarter shall be acted upon in accordance with QR/PB rules for mandatory and voluntary recipients reports, and on county-initiated and third-party reports. Each change shall be acted upon separately, using the rule that is unique to that type of change. Circumstances shall not be combined to effect a change in benefits.

A household may voluntarily report a change that does not result in an increase to benefits, and later in the quarter, report another change that was required to be reported, which would result in a decrease to benefits. A change shall not be made to benefits based on the voluntary report; however, benefits shall be decreased later based on the mid-quarter report. The decrease in benefits shall be based solely on the circumstances resulting from the mandatory report.

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Example 1: The quarter is January/February/March. On January 15, the household reports that the father moved back into the home, and he has a part-time job. In reviewing whether the household would be entitled to an increase as a result of new household member, the CWD determines that earnings from the father's job would result in a decrease to the household's benefits. The CWD is unable to add the father to the household the first of February because QR/PB rules do not allow for benefits to be decreased as a result of a voluntarily reported mid-quarter change.

On January 17, the household reports that the mother violated conditions of her parole. The CWD must take action to remove the mother from the household effective January 31, because she is ineligible. The CWD decreases benefits to the remaining household members effective February 1. When decreasing February benefits, the CWD may not take action to add the father and his earned income at the same time as discontinuing the mother. The CWD may only take action to add the father and his income at the beginning of the next QR Payment Quarter when the household has submitted the QR 7 for February, reporting that the father is still in the home and has the same level of income.

Example 2: The current payment quarter is January, February, and March. The household consists of a mother and child. The mother reports that the father, who is earning \$900, moved into the home on January 10th. Adding the father from February 1st reduces benefits to the household, so the father must be evaluated for

the upcoming payment quarter (April, May, and June). The father loses his job on February 10th. The mother reports the father's job loss on February 13th. The new report is that father is requesting to be added and he has reduced income. The change in circumstances caused by the job loss is a new mid-quarter report. The father can now be added to the household effective March 1st.

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(m) Changes Held Until Next Quarter

Changes that occur in the current quarter but shall not take effect until the upcoming QR Payment Quarter include: third month reporting of a new household member that increases benefits and adjustments to begin collection of O/Is.

(n) Restorations and Reapplications Under QR/PB

- (1) When a household has been sent a discontinuance notice and the effective date of the discontinuance is pending and the circumstances that made the household ineligible have changed, benefits shall be reinstated and the discontinuance rescinded.
- (2) When an application has been denied or the case discontinued, the household must reapply for benefits and be treated as a new applicant. Benefits shall be prorated from the new application date.

Authority Cited: Sections 10553, 10554, 11265, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code and Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

1. Amend Section 63-801 to read:
2. Post-Hearing: Amend Section 63-801 to read:

63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)

63-801

.3 Calculating the Amount of Claims

.31 Inadvertent Household and Administrative Error Claims

.311 (Continued)

(c) (Continued)

(2) Section 63-801.311(c)(2)(MR) shall become inoperative and Section 63-801.311(c)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For monthly reporting households, a claim shall be established when the household fails to report a change on the CA 7 by the extended filing date for the appropriate report month. For nonmonthly reporting households, a claim shall be established if the household fails to report a change within 10 days of the date the change became known.

(QR) For QR households, a claim shall be established when the household fails to report a change on the QR 7 for the appropriate Data Month and the QR Payment quarter was incorrectly computed based on failure of the recipient to report a change or a timely QR 7 was not submitted (see Handbook). For change reporting households, a claim shall be established if the household fails to report a change within 10 days of the date the change became known.

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Example: A QR 7 is not received timely and a 10-day notice cannot be sent to the recipient to reduce benefits beginning with the next QR Payment quarter: In the January/February/March quarter, a recipient submits the QR 7 on March 28, after the

deadline for timely submission. After redetermining benefits based on information reported on the QR 7, the CWD determines that the April/May/June benefits should be reduced due to income reported on the QR 7. The QR 7 was submitted too late in the month for the CWD to provide 10-day notice and decrease benefits for April. The CWD issues a 10-day notice of decrease effective for May; pays benefits at the March level in April, and adjusts benefits to the correct amount for May and June. The difference between the May/June benefit amount and the April benefit amount is an O/I.

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(3) (Continued)

.7 Method of Collecting Payments (Continued)

.73 Reduction in Food Stamp Allotments (Continued)

(QR) .737 Recoupment by Allotment Adjustment for QR Households

- (QR) (a) O/I allotment adjustment shall only be initiated at the beginning of a quarter. However, an allotment adjustment shall be discontinued mid-quarter as appropriate when the O/I has been recouped.
- (QR) (b) When the CWD completes recoupment of one O/I mid-quarter, the CWD may begin recoupment of the next O/I in mid-quarter as long as the amount being adjusted does not result in the benefits being decreased mid-quarter.

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The following examples provide some guidance in the determination of O/Is in QR.

Late Mandatory Mid-Quarter Reporting: The recipient is in the April/May/June quarter. The mother is in a household of three and is convicted of a drug felony on April 25 and reports the conviction on April 26. The report is considered timely, because it was made within 10 days. The CWD is unable to decrease benefits for May to reflect discontinuance of the ineligible household member,

because there is insufficient time to provide 10-day notice. Benefits must be issued for May in the same amount that was issued in April, and the CWD must take action to decrease benefits effective June 1. The CWD shall not establish an O/I for the May allotment, because the recipient reported the change timely.

NOTE: ~~This does not apply to food stamp only households.~~ For NAFS households, this is not a mandatory mid-quarter report. The county shall act to discontinue the mother upon timely and adequate notice based on the subsequent QR 7.

Late QR 7: In the July/August/September quarter, a recipient turns in her QR 7 on September 25. She reports starting a new job in August and indicates that she will receive \$1,000 earnings each month. The CWD is unable to reduce cash aid and food stamp benefits for the October/November/December quarter effective October 1 due to inability to provide 10-day notice of the decrease resulting from increased income. The CWD is required to make the change effective November 1, and shall establish an O/I for food stamp benefits that were issued in error for October.

Failure to Report Income: Looking back at the quarter designated as October/November/December, the CWD determines through an IEVS match that a CalWORKs AU and food stamp household had income that exceeded the IRT on December 26. The household is still receiving the same level of income in the current Jan/Feb/Mar quarter and has never reported the income as a mid-quarter report. The CWD determines that the household should have reported this change by January 5, and should have been discontinued due to ineligibility effective January 31. An O/I would be established beginning February 1.

CWD Failure to Act: The household reports on the QR 7 submitted March 5 that the father started a job on February 10. The income is expected to continue at the same level in the next QR Payment Quarter. The CWD failed to use the newly reported income to determine benefits for the next QR Payment Quarter (April/May/June). If using the income to compute the food stamp benefits should have resulted in a lower grant and allotment to the household, the CWD must establish an O/I for the amount the household was not entitled to receive beginning April 1.

HANDBOOK ENDS HERE

Authority Cited: Sections 10554, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 273.18(a), (a)(1)(ii), and (a)(2); 7 CFR 273.18(b)(3); 7 CFR 273.18(c)(1)(i), (c)(1)(ii), (ii)(b), and (c)(2)(ii) (Federal Register, Vol. 58, No. 209, pp. 58454 and 58455, dated November 1, 1993); 7 CFR 273.18(d)(4)(iii); 7 CFR 273.18(e)(1); 7 CFR 273.18(e)(3)(iv); 7 CFR 273.18(e)(3)(v); 7 CFR 273.18(e)(5)(v); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.18(e)(7)(i); 7 CFR 273.18(f); 7 CFR 273.18(g)(4)(ii); 7 CFR 273.18(g)(6); 7 CFR 273.18(g)(8); 7 CFR 273.18(g)(9); 7 CFR 273.18(h)(4); 7 CFR 273.18(i); 7 CFR 273.18(k)(5); 7 CFR 273.18(n)(1)(i); 7 U.S.C. 2022(a)(1); U.S.D.A., Food and Nutrition Service letter WFS-100:FS-10-6-CA, dated October 7, 1991; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; P.L. 104-193, Sections 809 and 844 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996) and Lomeli v. Saenz, Sacramento Superior Court, Case #98CS01747.

1. Amend Section 63-804 to read:
2. Post-Hearing: Amend Section 63-804 to read:

63-804 STATE HEARINGS (Continued)

63-804

.6 (Continued)

.62 Time Frame for Requesting Continuation of Benefits (Continued)

.623 Section 63-804.623(MR) shall become inoperative and Section 63-804.623(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A household provided a notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete CA 7, shall file its request prior to the effective date of the termination of its benefits.

(QR) A household provided a notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete QR 7, shall file its request prior to the effective date of the termination of its benefits. (Continued)

.64 Changes Pending the Hearing Decision

.641 Section 63-804.641(MR) shall become inoperative and Section 63-804.641(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Any monthly reporting household whose benefits have been continued shall continue to file CA 7s until the end of its certification period.

(QR) Any QR household whose benefits have been continued shall continue to file QR 7s until the end of its certification period.

.642 (Continued)

(e) Section 63-804.642(e)(MR) shall become inoperative and Section 63-804.642(e)(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A monthly reporting household fails to provide required verification of items on the CA 7 resulting in a reduction or termination of benefits, unless this is the issue being

contested, and the household fails to file a request for a hearing and continuation of benefits after receiving the corresponding notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete CA 7.

- (QR) A QR household fails to provide required verification of items on the QR 7 resulting in a reduction or termination of benefits, unless this is the issue being contested, and the household fails to file a ~~requires~~ request for a hearing and continuation of benefits after receiving the corresponding notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete QR 7.
- (f) Section 63-804.642(f)(MR) shall become inoperative and Section 63-804.642(f)(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) A monthly reporting household fails to file a CA 7 or fails to file a complete CA 7 by the extended filing date, resulting in a termination of benefits. The household does not file a request for a hearing and continuation of benefits after receiving the corresponding notice of action informing them of a termination of benefits for the nonsubmittal of a complete CA 7.
- (QR) A QR household fails to file a QR 7 or fails to file a complete QR 7 by the extended filing date, resulting in a termination of benefits. The household does not file a request for a hearing and continuation of benefits after receiving the corresponding notice of action informing them of a termination of benefits for the nonsubmittal of a complete QR 7.

Authority Cited: Sections 10554, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code.

Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 273.18(e)(6); and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

FOOD STAMP BENEFITS YOUR RIGHTS AND RESPONSIBILITIES

When you apply for food stamp benefits, you have rights and responsibilities. Your most important right is to be treated fairly without regard to race, color, national origin, political beliefs, religion, gender, age or disability. If you think you have been discriminated against, you may file a complaint by:

1. Contacting your county's civil rights coordinator;
2. Calling 916-654-2107 or 1-866-741-6241 (toll free);
3. For the hearing or speech-impaired,
1-916-654-2098 (TDD); or,
4. Writing to:

**California Department of Social Services
Civil Rights Bureau, MS 15-70,
P.O. Box 944243
Sacramento, CA 94244-2430**

or if you get Food Stamps only, write to:
**U.S. Department of Agriculture,
Food and Consumer Service, Civil Rights Office,
550 Kearny Street, San Francisco, CA 94108-2518**

YOUR RIGHTS

As a food stamp applicant or recipient, you have the right:

- To get help to filling out your application or any other food stamp form.
- To ask for translated forms and notices if you don't read English.
- To be treated with courtesy, consideration and respect.
- To ask for oral interpretation of forms and notices if translated forms and notices are unavailable.
- To be interviewed promptly by the county when you apply and to have your eligibility determined within thirty (30) days.
- To have the face-to-face interview waived if you are unable to appoint an Authorized Representative and no household member is able to go into the Food Stamp office because everyone is 65 years old and over or physically disabled and no one has earned income.
- To have the face-to-face interview waived if you have a hardship and cannot get to the Food Stamp office.
- To discuss your case with the county and to review your case yourself when you request to do so.
- To be told the rules for getting emergency food stamp benefits. If the county thinks you might be eligible, you will get an interview immediately and food stamp benefits within three (3) days.
- To ask to have your Food Stamp I.D., authorization document, or issuance card, or food stamp benefits replaced if lost in the mail, damaged, stolen or destroyed. EBT food stamp benefits are not always replaced; when the EBT card is not reported lost/stolen or benefits are spent by the authorized representative.
- To get written notice when your application is approved, denied, or when your benefits change or stop.
- To have your records kept confidential by the county and state, unless there is an outstanding felony arrest warrant issued for you, or as otherwise provided by law.
- To file a complaint or to ask for a state hearing within ninety (90) days of any action if you think the action was wrong. You can write to your County Welfare Department or call toll free 1-800-952-5253 or for the hearing or speech impaired (TDD) 1-800-952-8349.
- To be represented at a state hearing by yourself or by a household member, friend, attorney, or other person of your choice. You may get free legal help at your local legal aid office or welfare rights group.

YOUR RESPONSIBILITIES

As a food stamp applicant or recipient, you are responsible for meeting the following requirements:

- **Fingerprint and photo imaging.** California has a rule that says that everyone who is required to be fingerprinted and photo imaged must have their photo and fingerprint image taken in order for your household to receive food stamp benefits. If someone in your household who is required to be photographed or finger imaged refuses to do so, your household will not be able to get food stamp benefits. These images are confidential and can only be used to prevent or prosecute welfare fraud.

YOUR RESPONSIBILITIES (Continued)

- **Citizenship/Immigration Status.** You must sign under penalty of perjury that each member applying for food stamp benefits is a U.S. citizen or U.S. national. If someone in your household is not a citizen, you will need to provide verification of his or her immigration status. Information you give us on immigration status will be checked with the U.S. Immigration and Naturalization Service (INS), but it will only be used to determine food stamp eligibility. Information about immigration is private and confidential.

You can apply for and get food stamp benefits for eligible family members, even if your family includes other members who are not eligible because of immigration status. For example, immigrant parents may apply for food stamp benefits for their U.S. citizen or qualified immigrant children, even though the parents may not be eligible for benefits. You do not have to provide immigration information or documents for any family members who are not eligible for food stamp benefits and who are not asking for food stamp benefits. Getting food stamp benefits will not affect your immigration status or the immigration status of your family.

- **Social Security Number.** You must provide the Social Security Number (SSN) for everyone in your household who is applying. Anyone who does not give a SSN or proof of application for an SSN will not be able to get food stamp benefits.

The SSN(s) will be used in a computer match to check your income and resources with records from tax, welfare, employment, the Social Security Administration and other agencies. SSN(s) will also be matched with law enforcement agencies. Differences may be checked out with employers, banks or others.

- **Verification.** If your worker asks for proof of a fact you give, you must provide it or give us the name of some other person or agency we may contact to get it. When you can't get the proof you need, we may be able to help you get it.
- **Reporting.** Every food stamp household must report on their income and household situation. Most households have to report every quarter, but your worker will tell you whether you are a quarterly or change reporting or transitional household.
- **Cooperation.** You must cooperate with county, state and federal staff. You may not get benefits or your benefits may be stopped if you don't cooperate.

- 12 months for the first violation,
- 24 months for the second violation and
- forever for the third violation.

These penalties start after a state hearing or court of law finds that an individual committed an IPV. In addition, there are separate penalties for other things you should not do. They are:

- If you are found guilty in any court of law of trading food coupons for controlled substances, food stamp benefits can be stopped for 24 months for the first violation and forever for the second violation.
- If you are found guilty in any court of law of trading food stamp benefits for firearms, ammunition or explosives, food stamps can be stopped forever for the first violation.
- If you sell or trade food stamps worth \$500 or more, food stamp benefits can be stopped forever.
- If you file more than one application at the same time and give false identification or residence information, food stamp benefits can be stopped for ten (10) years.

Also, anyone who is accused of committing an IPV may agree to be disqualified by signing either a Disqualification Consent Agreement or an Administrative Disqualification Hearing Waiver. Anyone who signs one of these documents accepts responsibility to repay any overissuance.

In addition, if you don't report all the facts or give wrong facts to get or keep getting benefits, you can be legally prosecuted with penalties of a fine and/or imprisonment. You may be found to have committed a felony if more than \$400 is wrongly paid out in food stamp benefits because you didn't report all of your facts or changes in income, property or family status.

If your household receives food stamp benefits, you must follow these rules:

- Don't give wrong or incomplete facts to get or keep getting food stamp benefits.
- Don't trade or sell food stamps, Food Stamp Authorization Documents (ADs), or issuance cards.
- Don't alter ADs or issuance cards to get food stamp benefits you are not entitled to get.
- Don't use food stamp benefits to buy ineligible items such as alcoholic drinks or tobacco, paper or cleaning products.
- Don't use someone else's food stamps, ADs or issuance cards for your household.

PENALTIES AND DISQUALIFICATION

Failing to follow the rules listed in this document can result in an Intentional Program Violation (IPV). The penalties for an IPV are disqualification as listed below, AND you can be fined up to \$250,000 and/or put in jail/prison for up to 20 years. Disqualification means not being able to get food stamp benefits for a period of time. When you are disqualified, the penalties stop your food stamp benefits for:

CERTIFICATION

- I certify that I have received copies of "Your Rights and Responsibilities" (DFA 285-A3 QR) and "How to Report Household Changes" (FS 23 QR). I understand my rights and responsibilities. I agree to comply with my responsibilities. I also understand the penalties for giving wrong or incomplete facts and failing to report facts or situations that may affect my eligibility or benefit level for food stamp benefits.
- I also certify that I have received a copy of "Applying for Food Stamp Benefits" (FS 22 QR).

SIGNATURE (ADULT HOUSEHOLD MEMBER OR AUTHORIZED REPRESENTATIVE):

DATE:

SIGNATURE OF WITNESS OR INTERPRETER:

DATE:

I certify that I have informed the applicant/recipient of the above responsibilities and of the possibilities of criminal penalties for intentionally making false statements or failing to report information which affects food stamp eligibility.

SIGNATURE OF INTERVIEWING WORKER:

DATE APPLICATION REVIEWED WITH CLIENT OR AUTHORIZED REPRESENTATIVE:

DFA 285-A3 QR (12/03) IMPORTANT INFORMATION-REQUIRED FORM — NO SUBSTITUTES PERMITTED

- TEAR HERE -

CERTIFICATION

- I certify that I have received copies of "Your Rights and Responsibilities" (DFA 285-A3 QR) and "How to Report Household Changes" (FS 23 QR). I understand my rights and responsibilities. I agree to comply with my responsibilities. I also understand the penalties for giving wrong or incomplete facts and failing to report facts or situations that may affect my eligibility or benefit level for food stamp benefits.
- I also certify that I have received a copy of "Applying for Food Stamp Benefits" (FS 22 QR).

SIGNATURE (ADULT HOUSEHOLD MEMBER OR AUTHORIZED REPRESENTATIVE):

DATE:

SIGNATURE OF WITNESS OR INTERPRETER:

DATE:

I certify that I have informed the applicant/recipient of the above responsibilities and of the possibilities of criminal penalties for intentionally making false statements or failing to report information which affects food stamp eligibility.

SIGNATURE OF INTERVIEWING WORKER:

DATE APPLICATION REVIEWED WITH CLIENT OR AUTHORIZED REPRESENTATIVE:

COUNTY OF _____

FOOD STAMP NOTICE OF CHANGE FOR CHANGE REPORTING HOUSEHOLD

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

If you have any questions or want more information about this action, please contact your worker.

State Hearing: You can ask for a hearing if you believe the action is wrong. The back of this page tells how to ask for a hearing. If you already had a hearing on the cause of the overissuance that is being collected, you cannot ask for a new hearing, unless you think the new amount of food stamp benefits you are getting because of the overissuance collection is incorrect.

☐ **CHANGE IN BENEFITS**

Effective _____, your food stamp benefits are changed from \$ _____ to \$ _____ each month because:

☐ You have already been told about an overissuance of food stamps and you are getting less food stamps because the County has been reducing your monthly allotment by 10% or \$10 (whichever is more) to pay back the food stamps that you got and should not have. It has been decided in court or by a state hearing or because you signed a Disqualification Consent Agreement or an Administrative Disqualification Hearing Waiver that this overissuance is an Intentional Program Violation (IPV). Now your monthly allotment is being changed because the County can begin reducing your allotment by 20% or \$10 (whichever is more). If there are any other changes to your monthly food stamp allotment, this form will tell you.

☐ **PROPOSED CHANGE IN BENEFITS**

Effective _____, your food stamp benefits may be reduced or terminated because information needed to determine your continued eligibility or the correct amount of your benefits was not received with your Change Report (DFA 377.5). We must receive the following information by no later than the first day of next month:

If verification of an expense is requested and you do not provide it, the expense will not be allowed when computing next month's benefits. Also, if you do not provide other requested information, your benefits may be reduced or terminated.

Rules: These rules apply to the above action(s):
You may review them at your welfare office.

☐ **NO CHANGE IN BENEFITS**

Your food stamp benefits did not change as a result of the document(s)/information we received because:

☐ **TERMINATION**

Effective _____, your food stamp benefits are terminated because:

☐ Based on the reason your benefits are terminated, your household is also disqualified from participating in the Food Stamp Program until _____. You may reapply for benefits at the end of this disqualification period.

YOUR HEARING RIGHTS

You have the right to ask for a hearing if you disagree with any county action. You have only 90 days to ask for a hearing. The 90 days started the day after the county gave or mailed you this notice.

If you ask for a hearing before an action on Cash Aid, Medi-Cal, Food Stamps, or Child Care takes place:

- Your Cash Aid or Medi-Cal will stay the same while you wait for a hearing.
- Your Child Care Services may stay the same while you wait for a hearing.
- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.

If the hearing decision says we are right, you will owe us for any extra Cash Aid, Food Stamps or Child Care Services you got.

To let us lower or stop your benefits before the hearing, check below:

Yes, lower or stop: ☐ Cash Aid ☐ Food Stamps ☐ Child Care

While You Wait for a Hearing Decision for:

Welfare to Work:

You do not have to take part in the activities.

You may receive child care payments for employment and for activities approved by the county before this notice.

If we told you your other supportive services payments will stop, you will not get any more payments, even if you go to your activity.

If we told you we will pay your other supportive services, they will be paid in the amount and in the way we told you in this notice.

- To get those supportive services, you must go to the activity the county told you to attend.
- If the amount of supportive services the county pays while you wait for a hearing decision is not enough to allow you to participate, you can stop going to the activity.

Cal-Learn:

- You cannot participate in the Cal-Learn Program if we told you we cannot serve you.
- We will only pay for Cal-Learn supportive services for an approved activity.

OTHER INFORMATION

Medi-Cal Managed Care Plan Members: The action on this notice may stop you from getting services from your managed care health plan. You may wish to contact your health plan membership services if you have questions.

Child and/or Medical Support: The local child support agency will help collect support at no cost even if you are not on cash aid. If they now collect support for you, they will keep doing so unless you tell them in writing to stop. They will send you current support money collected but will keep past due money collected that is owed to the county.

Family Planning: Your welfare office will give you information when you ask for it.

Hearing File: If you ask for a hearing, the State Hearing Division will set up a file. You have the right to see this file before your hearing and to get a copy of the county's written position on your case at least two days before the hearing. The state may give your hearing file to the Welfare Department and the U.S. Departments of Health and Human Services and Agriculture. **(W&I Code Sections 10850 and 10950.)**

TO ASK FOR A HEARING:

- Fill out this page.
- Make a copy of the front and back of this page for your records. If you ask, your worker will get you a copy of this page.
- Send or take this page to:

OR

- Call toll free: 1-800-952-5253 or for hearing or speech impaired who use TDD, 1-800-952-8349.

To Get Help: You can ask about your hearing rights or for a legal aid referral at the toll-free state phone numbers listed above. You may get free legal help at your local legal aid or welfare rights office.

If you do not want to go to the hearing alone, you can bring a friend or someone with you.

HEARING REQUEST

I want a hearing due to an action by the Welfare Department of _____ County about my:

☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal

☐ Other (list) _____

Here's Why: _____

☐ If you need more space, check here and add a page.

☐ I need the state to provide me with an interpreter at no cost to me. (A relative or friend cannot interpret for you at the hearing.)

My language or dialect is: _____

NAME OF PERSON WHOSE BENEFITS WERE DENIED, CHANGED OR STOPPED

BIRTH DATE

PHONE NUMBER

STREET ADDRESS

CITY

STATE

ZIP CODE

SIGNATURE

DATE

NAME OF PERSON COMPLETING THIS FORM

PHONE NUMBER

☐ I want the person named below to represent me at this hearing. I give my permission for this person to see my records or go to the hearing for me. (This person can be a friend or relative but cannot interpret for you.)

NAME

PHONE NUMBER

STREET ADDRESS

CITY

STATE

ZIP CODE

APPLYING FOR FOOD STAMP BENEFITS

The Food Stamp Program helps you buy nutritious food for you and your family. This document will tell you more about how the program works and what you need to do in order to apply for benefits.

The county food stamp office wants to get you the help you need. **If you have a disability or need help with applying or continuing to receive food stamp benefits, let a county worker know.**

The law says that everyone who applies for or receives benefits and services must be treated fairly. Every county has a civil rights coordinator. If you feel you have been discriminated against, contact the civil rights coordinator in your county or call 1-800-952-5253. Look in your application for more information about filing a complaint.

HOW DO I APPLY?

You can apply for food stamp benefits by completing a food stamp application and returning it to a food stamp office in the county where you live. When you apply for food stamp benefits, you are applying for everyone in the household who buys and prepares food together, but you do not have to apply for people who are ineligible because of their immigrant status.

- ✧ If you need food stamp benefits right away because you don't have much money, you may get food stamp benefits within three days of turning in your application. This is called "Expedited Service." Not everyone can get Expedited Service, but it's a good idea to ask.
- ✧ After turning in an application, most people will be scheduled for an interview at the food stamp office. If you can't come to the office for your interview, you may be able to have your interview by phone, a worker may be able to come to your home, or other arrangements can be made. You may also authorize someone to go to the office and apply for you.
- ✧ During this interview, a county worker will go over the application and ask you more questions to complete the application process. You will need to gather the documents listed on this page and bring them to your interview.
- ✧ If you applied for both CalWORKs and food stamp benefits, but were denied CalWORKs, your original food stamp application will still be processed.

CHECKLIST OF THINGS TO BRING TO YOUR INTERVIEW

During your interview, the food stamp worker will need to see certain documents. If you have questions about what to bring, call the food stamp office. If you don't have all of your documents, be sure to go to your interview anyway—your worker may help you get the documents. They will also tell you if there is another way to show proof of the information you give.

☐ Personal Identification

You will need to prove who you are. You can bring a birth certificate, driver's license, school or work I.D., voter registration, Social Security card, a sworn statement from someone who knows you, or an identification form from General Assistance or General Relief. If you have no address, be prepared to tell the worker where you are staying. If you are an immigrant, bring immigration papers for everyone who is applying for food stamp benefits.

☐ Social Security Number

You will need to provide social security numbers for all members of your household who have them. You don't have to bring in the cards, just the numbers. If someone doesn't have a social security number, you need to bring proof (such as a letter from the Social Security office) that you have applied. You do not have to provide social security numbers for people who are not applying because of their immigrant status.

☐ Proof of Your Income

If you have income, you will need to prove how much income you have and where it comes from. For money you earn at a job, you can bring one of the following: your pay stubs, a letter from your employer on company letterhead, your W-2 form, wage tax receipt, state or federal tax return, or self-employment bookkeeping records. For money from benefit programs (like social security, unemployment or workers compensation, or student aid), bring a copy of your benefit check or an official letter describing what you receive.

☐ Proof of Your Assets

If you have bank account, bring a bankbook or current bank statement.

☐ Proof of Your Expenses

Bring rent or mortgage receipts, utility bills, receipts for child or adult care, and receipts for medical expenses for people over 60 or disabled. If you pay court-ordered child support, bring proof of that payment. Proving these expenses may help you get more food stamp benefits.

WHAT YOU'LL BE ASKED AND WHY

During your interview at the county food stamp office, you will be asked a number of questions to determine whether you can get food stamp benefits and the amount of benefits you can get. Your worker is required by state or federal law to ask these questions.

Questions about Immigration Status

You will be asked if members of your household are citizens. If they are not, your worker will ask when they arrived in the United States and for proof of their documentation. **If you are a lawful permanent resident (LPR), you are eligible for food stamp benefits, as long as you meet other eligibility rules.**

WHAT YOU'LL BE ASKED AND WHY

Please keep in mind that the Food Stamp Program needs this information to determine whether the people in your household are eligible for food stamp benefits. If you are not a citizen or do not have documentation, you can receive food stamp benefits for your children if they are citizens or LPRs.

Questions about Felonies

Your food stamp worker is required to ask you two questions about felonies. First, you will also be asked if anyone in your household is fleeing the law to avoid felony prosecution. Under federal law, fleeing felons are not eligible for benefits. Second, you will be asked if anyone in your household has been convicted of a drug felony that occurred after August 22, 1996. People convicted of a drug felony after August 22, 1996 cannot get food stamp benefits but other members of the household will still be able to receive food stamp benefits.

Question about Fraud

Your food stamp worker is also required to ask if anyone in your household has ever committed welfare fraud. If someone has committed welfare fraud, it doesn't necessarily mean that you won't get food stamp benefits.

Questions about Income

Your ability to get food stamp benefits depends partly on how much money and resources you have. Your county worker will ask you questions about your income to make sure you get the right amount of benefits.

SOME IMPORTANT FOOD STAMP RULES

The Food Stamp Program has a lot of rules, but most of them depend on your specific situation. Here are some of the important ones:

Immigration Status

To get food stamp benefits in California, you must be a U.S. Citizen, a U.S. National, or be someone who is a lawful permanent resident (LPR) of the U.S. If you are an undocumented immigrant, you cannot get food stamp benefits but your children may be able to get benefits if they are citizens or LPRs. Getting food stamp benefits will not affect your immigration status or the status of your family. Immigration information is private and confidential.

Assets and Property

There is a \$2,000 limit on the amount of money that people in your household can have at home, in the bank, or in other places. If someone in your household is at least 60 years old, your household can have up to \$3,000. The value of your house does not count as long as you live in it.

Utilities

Your utility expenses (meaning things like gas, electricity, water, sewer, garbage and telephone expense) may be deducted from your income to help you get more food stamp benefits. When you apply, you may have a choice between using your actual utilities expenses OR using the Standard Utility Allowance (SUA).

The SUA is a single, fixed utility deduction that you may choose if you pay for heating or cooling separate from your rent or mortgage. If you don't have separate heating and cooling costs, you must use your actual utility expenses. The SUA will probably be higher than your actual utility expenses, which means that using the SUA may help you get more food stamp benefits.

Living in the County

All of the food stamp rules are the same from county to county, but you must be living in the county where you apply for benefits. If you move to a different county, you will need to reapply at the office in the new county.

Food Stamp Work Rules

If you are 16 through 59 years old, there are some work rules you may need to meet. You can be excused from the work rules for reasons such as mental or physical health problems that keep you from working, getting unemployment benefits, taking care of a child under age 6, or for other reasons that your worker can explain to you. If you are not excused, then some of the work rules you will need to meet may include keeping appointments, taking a job the county sends you to, not turning down or quitting a job, not reducing the hours you work, looking for work, doing community service, or going to school or training. If you don't meet the work rules, your food stamp benefits can be denied or stopped for one, three or six months.

Food Stamp Work Rule for Adults Without Children

If you are over 17 and under 50 and you are not caring for a minor child, you may also have to meet another work rule. You can be excused from this work rule if you are pregnant, live in the same food stamp household with a minor child, have mental or physical health problems that keep you from working, or for other reasons that your county worker can explain to you. If you are not excused, you must meet the work rule by doing one or more of the following for a total of 20 hours per week: work, school, or training. Or, you must do community service for the number of hours the county tells you.

If you don't meet the work rule for three months during a three year period and you don't have a good reason, your food stamp benefits will stop unless you are excused. You can get food stamp benefits again by meeting the work rule for the number of hours that the county tells you. After that, you might be able to get another three months of food stamp benefits without having to meet the work rule.

SOME IMPORTANT FOOD STAMP RULES (Continued)

If you are self-employed

If you are self-employed, you can either deduct your actual business expenses or use a standard deduction of 40 percent of your gross income. Once you choose a method of figuring your self-employed net income, you can only change this method when you are re-certified for food stamp benefits or every six months, whichever happens sooner.

Reporting

Most households must send a report on their income to the county each month in order to continue getting food stamp benefits. Other households must send in a report only when they have a change in income or household situation.

Households that are receiving transitional food stamp benefits do not have to report.

College, Business or Vocational Students

You can get food stamp benefits if you are a student and you are working, enrolled in an employment and training program, disabled, getting cash assistance, over the age of 50, or the parent of young children.

Amount of food stamp benefits

There is a limit to the number of food stamp benefits you can get each month. This amount is based on the number of people in your household and how much money you have each month after you pay for things like rent, utilities and child care.

If your household gets too many food stamp benefits by mistake, you may have to pay them back—even if it wasn't your fault that it happened.

A note about rules: If you do not understand a rule, please ask your worker to explain it. It's important to understand the rules so you can get as many food stamp benefits as your household is allowed to get.

How do I use my food stamp benefits?

You **can** use your food stamp benefits to buy almost all foods, as well as seeds and plants to grow your own food. You do not have to pay sales tax on any item you buy with food stamp benefits. Food stamp benefits are accepted at most large grocery stores, as well as some farmers markets, convenience stores and other places that sell groceries.

You **cannot** use food stamp benefits to buy alcohol, tobacco, pet food, some types of already cooked food, or anything that is not food (like toothpaste, soap, or paper towels).

Once you receive your food stamps, sign the food stamp coupon book. This will make it easier to trace if they are lost or stolen. Keep the food stamps in the coupon book until you are ready to pay for your food. Stores will not accept \$5 or \$10 food stamp coupons if they are not together with a coupon book that has the same serial number as the food stamps. Stores will accept loose \$1 food stamps.

What happens if I no longer receive CalWORKs?

If you stop getting CalWORKs, you may still be able to get food stamp benefits. Food stamp benefits can help your family as you make the transition from welfare to work, so be sure to check with your worker about whether you can continue. You may be eligible for transitional food stamp benefits.

USING YOUR FOOD STAMP BENEFITS

How do I get my food stamp benefits?

The way you get your food stamp benefits depends on the county where you live. Some counties will mail you coupon books with food stamp coupons in them. In other counties, you will receive a plastic card or authorization form that you will use to pick your food stamp coupons up at a food stamp outlet. Your worker will tell you how to get your food stamp coupon books in your county.

If your authorization form or food stamp coupons are lost, stolen or destroyed, call your worker right away. You may be able to get them replaced.

FOOD STAMP BENEFITS

HOW TO REPORT HOUSEHOLD CHANGES

Everyone who receives food stamp benefits must report when their income or household situation changes. Most households have to report these changes on a quarterly basis. Other households will report changes on the change reporting basis. Your worker will tell you whether you are a quarterly or change reporting household. If you're not sure how to report changes, what changes to report, or what proof we need, be sure to ask your worker.

The following list describes each type of reporting.

QUARTERLY REPORTING

If your worker tells you that you are a quarterly reporting household, you will need to turn in a completed Quarterly Eligibility Report (QR 7) by the 5th day of each 3rd month of the quarter. Your worker will tell you about your quarters.

When you turn in your QR 7, the information will be used to determine the amount of food stamp benefits you can get for the next quarter. For example:

If you turn in a QR 7 in March, you will report what income you had in February. You will also report any income changes you expect to have in April, May and June. If the income from February will stay the same, your cash aid and/or food stamp benefits for April, May and June will be figured using that same income and expenses for each of those months. If your income and expenses will change, your worker will use the new income amounts you will get in April, May and June to figure your cash aid and/or food stamp amount for those months. This is called prospective budgeting.

Quarterly reporting rules say that you must report things at certain times. You will be assigned a "report month" for each quarter. This will be the second month of each quarter. For example, if your quarter is January, February and March, February would be your "report month" and your report would be due by the 5th day of March. The report is always due by the 5th day of the month following your report month and will be considered late if not received by the 11th day of the month. If your QR 7 is late, you will have to pay back any cash aid or food stamps that you received but not supposed to get.

You will have to report all income, changes in the number of people in your household, property bought or sold by people in your household and other information for that report month as well as any changes in your income and expenses that you expect to happen in the next quarter.

If you do not turn in a completed Quarterly Eligibility Status Report (QR 7) by the end of the first working day of the month after the month your report is due, your household's benefits will be stopped.

What you must report on a Quarterly Report:

- Earned income from any source;
- Unearned income of any kind;
- Anyone getting free rent or utilities;
- Anyone who has expenses that are paid by someone else;
- Reduced hours of work or training;
- Someone moves in/out of your home;
- If you move;
- Any real or personal property bought, sold or exchanged;
- Any change in court-ordered child support paid by a household member;
- Anyone's citizenship/immigration status changes or receives correspondence from the Bureau of Citizenship and Immigration Services (BCIS) (formerly INS);
- Anyone reaches 60 years of age;
- Anyone gets job, training or school payments for expenses;
- Anyone has a job, training or school costs such as for dependent care or supplies;
- Any household member convicted of a drug felony after August 22, 1996;
- Any household member fleeing from the law or in violation of probation.

REPORTING CHANGES DURING THE QUARTER

You must report the following things within (10) ten days of the change even if it is not your report month. You are to report:

- If your address changes.
- If you are an Able Bodied Adult Without Dependents (ABAWD); food stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours in a month.

REPORTING VOLUNTARY CHANGES

You may also report other information voluntarily even when it is not your report month. Reporting information voluntarily may cause your household benefits to go up. The county will take action within (10) ten days after you provide verification. One exception is when the increase results from adding another person to your case. In that situation, the county will take action to increase benefits the first of the month after you provide verification. **Even if you have already reported something to the County, you must also report it on your next QR 7.**

REPORTING VOLUNTARY CHANGES - Continued

Some examples of voluntary reporting that may cause your benefits to go up include:

- Loss of income;
- Member becomes disabled or 60 years old;
- Member begins to pay court-ordered child support;
- New household member in the home;
- Shelter/housing cost increases;
- Medical expenses.

Reporting voluntary changes will never cause your benefits to go down in the quarter that they are reported. However, some examples of voluntary reporting that may cause your benefits to go down in the next quarter include:

- Gain or increase of income;
- Someone with no income moves out of your home;
- Someone in your home who had no income dies;
- Someone with income moves into your home;
- Shelter cost decrease.

You **MAY** report changes between quarterly reports either by:

- Mail, telephone or in person at the county food stamp office or by turning in a Mid-Quarter Status Report or QR 3.

OTHER CHANGES

There are other circumstances that will require the county to decrease or discontinue your benefits during the quarter in which they happen. Here are the examples:

- A household member is sanctioned;
- Someone in your household receives benefits in another household;
- A California Food Assistance Program status changes.
- An Able Bodied Adult Without Dependents (ABAWD); food stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours in a month.

CHANGE REPORTING

If you are in a change reporting household you will not have to follow Quarterly Reporting rules. Instead, you **MUST** report the following changes within ten days:

- If your household has a change in the source of monthly earned income, or your household's monthly earned income starts, stops, or changes by more than \$100.00
- If your household has a change in the source of monthly unearned income, or your household's monthly unearned income starts, stops, or changes by more than \$50.00.
- Anyone's source of income changes.
- You move in with someone else or anyone moves into or out of your home, including newborns, other children, spouses, other relatives or non-relatives.
- Anyone moves to another address, plans to move or gets a new mailing address.
- Your household's total cash, stocks, bonds or other money is more than \$2000 (or \$3000 if someone in our household is age 60 or over or disabled).
- If there is a change in the amount of any court ordered child support paid by a member of the household for a child not living in the home.

- If you are an Able Bodied Adult Without Dependents and your work hours drop below 20 hours a week or 80 hours a month.
- Any member of your household who is avoiding or running from the law to avoid felony prosecution, custody or confinement after conviction, or is in violation of probation or parole.
- Any member of your household has committed and been convicted of a drug related felony for possession, use or distribution of a controlled substance(s) that took place after August 22, 1996.

You **MAY** report when:

- Anyone's physical or mental illness begins or ends.
- Anyone's citizenship, immigration status changes or anyone gets a letter, form or new card from the BCIS (formerly INS).
- You have changes in your dependent care costs.
- Any member who is disabled or age 60 or older has changes in or new medical expenses. If verified, your allotment can be refigured.
- Any member begins to pay court ordered child support for a child not living in the home.

You may report changes either:

- By mail, telephone, or in person at the County Food Stamp Office; or
- By turning in a DFA 377.5 Food Stamp Household Change Report form.

Transitional Food Stamp Benefits

If your household begins receiving transitional food stamp benefits, you do not have to report while receiving these benefits.

If you are receiving transitional food stamp benefits you may reapply to see if you can get more benefits. If you reapply and are approved for regular food stamp benefits, then all normal reporting rules will apply.

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of _____, the County is stopping your:

- ☐ Cash Aid
☐ Food Stamps

Here's why:

As of the 11th of this month, the County has not received your quarterly report (QR 7) due this month.

TO STOP THIS ACTION, the County must RECEIVE your COMPLETE report no later than the FIRST WORKING DAY OF NEXT MONTH.

The information you give us may change or stop your cash aid.

YOU MUST RETURN THE QR 7 IF YOU WANT TO CONTINUE TO GET CalWORKs CASH AID.

You and your family may still continue to get Medi-Cal if your cash aid stops and:

- you have earnings from a job, a business you started or a pay raise.
- you have started to receive or had an increase in child/spousal support payments.

Medi-Cal: This notice DOES NOT change or stop Medi-Cal Benefits. If there is a change in your Medi-Cal benefits, you will receive another notice. **Keep using your plastic Benefits Identification Card(s).**

Rules: These rules apply. You may review them at your welfare office - Cash Aid: MPP 40-105.1, 40-181.242, 44-315.8, ; Food Stamps: 63-504.3, 63-504.27.

Food Stamps Only:

You must report any new household members and their social security numbers. If you have already reported a new member but not their social security number, it must be reported now.

If you need help in completing the quarterly report, the County will help you to do so. Please contact the County and ask for help.

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of _____, the County is stopping your:

- ☐ Cash Aid
☐ Food Stamps

Here's why:

The quarterly report (QR 7) that we got from you this quarter is not complete.

TO STOP THIS ACTION, the County must RECEIVE your COMPLETE report by the FIRST WORKING DAY OF NEXT MONTH. You must send or bring in the following information:

- ☐ Complete the circled items on the enclosed report, and send or bring it to your worker.
☐ Send or bring to your worker the following:

The information you give us may change or stop your cash aid.

YOU MUST RETURN THE ENCLOSED QR 7 IF YOU WANT TO CONTINUE TO GET CalWORKs CASH AID.

You and your family may still continue to get Medi-Cal if your cash aid stops and:

- you have earnings from a job, a business you started or a pay raise.
- you have started to receive or had an increase in child/spousal support payments.

Medi-Cal: This notice DOES NOT change or stop Medi-Cal Benefits. If there is a change in your Medi-Cal benefits, you will receive another notice. **Keep using your plastic Benefits Identification Card(s).**

Rules: These rules apply. You may review them at your welfare office - Cash Aid: MPP 40-105.1, 40-181.22, 40-181.24, 44-315.8. Food Stamps: 63-504.3, 63-504.27,

☐ Food Stamps – Additional Information Needed

In addition, you must give the county the following information so the amount of your food stamps can be figured. You must get this information to the county by the first working day of next month. If you were asked for proof of an expense and you do not give it, the expense will not be allowed. Also, if you do not give the County other information asked for, your food stamps may be decreased or stopped.

You must report any new household members and their social security numbers. If you have already reported a new member but not their social security number, it must be reported now.

If you need help in completing the quarterly report, the County will help you to do so. Please contact the County and ask for help.

REPORTING CHANGES FOR YOUR CASH AID ASSISTANCE UNIT AND FOOD STAMP HOUSEHOLD

CASE NAME:

CASE NUMBER:

WORKER:

WORKER NUMBER:

If you receive Cash Aid, what you MUST report even when it is not your report month.

Anytime your Assistance Unit's (AU's) combined gross monthly income, both earned and unearned, is more than the Income Reporting Threshold (IRT) for your AU size, you must report this information to the County within ten (10) days. You can report this information to the County by calling your worker or reporting it in writing.

Your AU size is _____ your IRT is \$ _____.

The County will let you know each time your IRT changes.

Gross income means the amount of your income before any deductions, such as taxes, Social Security and retirement contributions, overpayment collections, wage garnishments or attachments, etc.

Failure to report when your income is more than the IRT limit for your AU's size may result in your benefits being overpaid. Any overpaid benefits caused by your failure to report **MUST** be repaid. You may also be subject to fraud charges/penalties if you do not report required information to the County.

How to figure your family's gross income.

Each month, add all of your AU's income both earned and unearned (wages or earnings, salary, disability income, unemployment, public benefits, etc.). If the total is more than the amount shown on this letter, you must report this income to the County. AU's that only have unearned income or that only get Food Stamps will not be required to report income except on the Quarterly Report form.

If you receive Cash Aid, you MUST also report this information even when it is not your report month.

- Anyone in your AU who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s), has become a fleeing felon or is in violation of a condition of probation or parole and you have not already reported it.
- Anytime you have an address change, you must report your new address to the County.

If you receive Food Stamps, you MUST report this information even when it is not your report month.

- If you are an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report anytime the number of hours you work or are in training drop to less than 20 hours a week or 80 hours a month.
- Anytime you have an address change, you must report your new address to the County.

Voluntarily reporting information

You may report changes to the County anytime you think the change will result in your Cash Aid or Food Stamp benefits going up. For example.

- Your income stops or goes down;
- Someone who has income has moved out of your home;
- Someone moves into your home and has no income;
- Your minor child becomes pregnant and is eligible for Cal-Learn services;
- CalWORKs special needs that you or someone in your AU may have such as, pregnancy special needs, a special diet prescribed by a doctor, etc;
- The birth of a child;
- For Food Stamps: Anyone in your household who is disabled or age 60 or older may report new medical costs that are not currently being used to figure your Food Stamp benefits.

At anytime, you can also ask the County to discontinue your entire case or any individual person who leaves the home or is not required to be in the assistance unit. You can also ask the County to stop other benefits, such as: Medi-Cal or Food Stamps. Receiving Medi-Cal and/or Food Stamps only will not count against your Cash Aid time limits.

MID-QUARTER STATUS REPORT**For Cash Aid and Food Stamps**

RECIPIENT'S NAME:

CASE NUMBER (IF KNOWN):

Use this form to report mandatory or voluntary changes that have occurred since your last Quarterly Report (QR 7/SAWS QR 7).

If you are reporting income information, please provide proof, such as, pay stubs; copies of checks; letters from agencies, etc.

If you are reporting changes in expenses, please provide proof, such as, receipts; canceled checks, paid invoices; etc.

If you are reporting an address change, please provide proof of expenses such as, a copy of your new rental agreement or lease; rent receipt for your new address; copies of utility deposits; etc.

MANDATORY INFORMATION

If you receive Cash Aid, report the information marked CA. If you receive Food Stamps, report the information marked FS. The change of address and voluntary information sections are for all households/assistance units.

CA ☐ My combined household income is more than the limit for my household size.
In the month of _____, the total combined income for my household is \$ _____.

CA ☐ Someone in my household is a convicted drug felon.
Name of person _____
Date of felony conviction _____

CA ☐ Someone in my household is running from the law to avoid a felony conviction; running from the law, to avoid custody or confinement after a felony conviction; or is in violation of probation or parole.
Name of person _____

CA/FS ☐ I have moved, changed my phone number or have a new mailing address.
New home address _____

New mailing address (if different from your home address) _____
New phone number (_____) _____

☐ I receive free rent at this new address.☐ I receive free utilities at this new address.☐ My rent amount is \$ _____ per month☐ My utilities are \$ _____ per month.**See other side**

MANDATORY INFORMATION - continued

FS ☐ Complete this section to report reduced work or training hours for Able-Bodied Adults without Dependents (ABAWDs):

The number of hours worked or in training dropped below 20 hours a week or 80 hours a month to _____ hours per week or _____ hours per month.

Name of person(s) _____

Relationship to you _____

Explain what happened _____

Date of change _____

VOLUNTARY INFORMATION (All households/Assistance Units)

I would like to report the following information:

CERTIFICATION

I UNDERSTAND THAT: If on purpose I do not report all facts or give wrong facts about my income, property, or family status to get or keep getting aid or benefits, I can be legally prosecuted. And, I may be charged with committing a felony if more than \$400 in cash aid and/or food stamps is wrongly paid out.

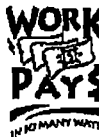
I declare under penalty of perjury under the laws of the United States and the State of California that the facts contained in this report are true and correct and complete.

WHO MUST SIGN BELOW:

For Cash Aid: you, your aided spouse and the other parent (of cash aided children) if living in the home.

For Food Stamps: the head of household, household member or the household's authorized representative.

Signature or Mark	Date Signed	Home Phone	Contact Phone
Signature of Spouse or other Parent of Cash Aided Children	Date Signed	Signature of Witness to Mark, interpreter or other person completing form	Date Signed

**QUARTERLY ELIGIBILITY/STATUS REPORT**

THIS REPORT IS FOR THE MONTH OF _____

FOR CASH AID, FOOD STAMPS, AND STATE CMSP

COMPLETE, SIGN AND RETURN THIS FORM BY THE 5TH OF THE MONTH AFTER THE REPORT MONTH

NEED HELP? CALL YOUR WORKER.

Worker Name: _____

Worker Phone: _____

BAR CODE: _____

Request to Stop Benefits (If you fill in this part, sign and date the back of this form. You can reapply at any time.)I ask that my ☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal ☐ State CMSP be stopped on the last day of: _____ MONTH/YEAR**Part 1: What happened IN the Report Month?****1. Did anyone get income from a job or training program or any other source?** ☐ YES ☐ NO

If "YES", list all income below and attach pay stubs or other proof. (See instructions for examples of income.)

Who got the income?	Source	Gross amount	\$	\$	\$	\$	\$
		Date received					
		No. of hours worked or in training					
Who got the income?	Source	Gross amount	\$	\$	\$	\$	\$
		Date received					
		No. of hours worked or in training					
Who got the income?	Source	Gross amount	\$	\$	\$	\$	\$
		Date received					
		No. of hours worked or in training					

2. Did anyone pay for the care of a child, disabled person or other dependent while working, seeking work, or attending school or training? ☐ YES ☐ NO

If "YES", list all costs below and attach proof.

Name of person who received care	Cost \$	Name of person who received care	Cost \$
3. Did anyone, who gets Food Stamps, pay <u>court-ordered</u> child or spousal support?		☐ YES ☐ NO	
If "YES", list the amount paid and attach proof of payment.			
Name of person who paid support	Cost \$	Name of person who paid support	Cost \$

Part 2: What has happened SINCE your last Quarterly Report?**4. Has anyone moved into or out of your home, or did you move in with someone else?** ☐ YES ☐ NO

If "YES", complete below.

Full name of person	Relationship to you	Explain what happened	Date of change

5. Did anyone buy, get, sell, trade or give away any property? ☐ YES ☐ NO

(See Instructions for examples of property)

Who owns or got rid of the property?	Type of property	Value \$
--------------------------------------	------------------	-------------

6. Has anyone in your home been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s) or has anyone been avoiding or running from the law to avoid any felony prosecution, custody, or confinement after conviction, or is anyone in violation of probation or parole? If convicted of a drug-related felony, give date of conviction. ☐ YES ☐ NO

If Yes, who? _____ Date of conviction _____

7. Have any of the following happened to someone in your household? ☐ YES ☐ NO
If "YES", list below and attach proof.

- Married, divorced or separated?
- Became pregnant, had a baby, aborted or miscarried?
- Became disabled or recovered from a disability or major illness?
- Citizenship or immigration status change, or got a new card, form or letter from INS?
- Started, stopped, or changed health, dental or life insurance benefits, including MEDICARE coverage?
- Student age 16 or older, started or stopped school or college. You may claim costs of tuition, school transportation, etc.
- Started or stopped working, refused a job or training, number of hours worked or in training went up or down, or went out on strike?
- Started or stopped getting In-Home Supportive Services?
- For Cash Aid Only: Child(ren) ages 6-17 stopped or started attending school regularly?

Name of person(s)	Relationship to you	What happened?	Amount	Date of change
			\$	
			\$	

Part 3: What changes do you EXPECT in the next three months?

8. Do you expect any changes in income or expenses (except for housing and utility costs) in the next three months? ☐ YES ☐ NO

If "YES", list below and attach proof. (See instructions for examples of income and expenses).

Name of person	Source of income or type of expense	Why will it change?	What do you expect the total amount to be for each of the next 3 months?		
			Month 1	Month 2	Month 3

ADDRESS CHANGE

Fill in this section ONLY if you have moved or have a new mailing address.

NEW Home Address				New Phone	
Number	City	State	Zip Code	()	
NEW Mailing Address (If different from Home Address)				Date Moved	
Number	City	State	Zip Code		
Did your housing or utility costs go up because of this move? ☐ YES ☐ NO				Amount \$	
Explain:					

CERTIFICATION

I UNDERSTAND THAT: If on purpose I do not report all facts or give wrong facts about my income, property, or family status to get or keep getting aid or benefits, I can be legally prosecuted. And I may be charged with committing a felony if more than \$400 in Cash Aid, Food Stamps, and/or State CMSP is wrongly paid out. I have received a copy of the Instructions and Penalties for the Quarterly Eligibility/Status Report for Cash Aid, Food Stamps and State CMSP.

YOU MUST SIGN AND DATE THIS REPORT AFTER THE LAST DAY OF THE REPORT MONTH OR IT WILL BE CONSIDERED INCOMPLETE.

I declare under penalty of perjury under the laws of the United States and the State of California that the facts contained in this report are true and correct and complete for the entire report month.

WHO MUST SIGN BELOW: For Cash Aid: you, your aided spouse and the other parent (of cash aided children) if living in the home.
For Food Stamps: the head of household, a household member or the household's authorized representative.
For CMSP: you, your spouse, or the person acting for the beneficiary.

SIGNATURE OR MARK 	DATE SIGNED	HOME PHONE ()	CONTACT PHONE ()	
SIGNATURE OF SPOUSE OR OTHER PARENT OF CASH AIDED CHILD(REN) 	DATE SIGNED	SIGNATURE OF WITNESS TO MARK, INTERPRETER OR OTHER PERSON COMPLETING FORM 		DATE SIGNED

INSTRUCTIONS AND PENALTIES

QUARTERLY ELIGIBILITY/STATUS REPORT

For Cash Aid, Food Stamps and State-Run County Medical Services Program (CMSP)

Need Help? Call your worker.

- If you do not send in a complete report including, but not limited to, answering all questions on the QR 7/SAWS QR 7 and attaching proof when we ask for it, your benefits may be delayed, changed, or stopped. **Attach a separate sheet of paper if needed.**
- Facts you report may result in your benefits going up, down, or be stopped.
- Send in your completed report by the 5th of the month following the report month.

Examples

Income	• Wages • Vacation pay • Child/spousal support • Insurance or legal settlements • Rental income and rental assistance • Any government benefits • State Disability Indemnity	• Self-Employment • Tips • Interest or dividends • Strike benefits • Tax refunds • Unemployment • Social Security • Supplemental Security Income/State Supplementary Payment (SSI/SSP)	• Salary • Income In-Kind, such as earned housing, free housing/utilities/clothing/food • Gambling/Lottery winnings • Cash, gifts, loans, scholarships • Other private or government disability or retirement • Workers Compensation • Veterans or Railroad retirement
Property	• Motor vehicles • EBT balance • Home	• Checking • Savings Bonds • Land	• Savings • Life insurance policies • Trusts
Housing Costs	• Rent • Utilities	• Mortgage • Homeowners insurance	• Property taxes • Garbage/trash collection fees
Expenses	• Medical expenses • Health insurance premiums • Child/dependent Care	• College tuition & supplies • Mandatory school fees • Child/spousal support	• Transportation • Room & Board • Housing costs

Penalties

PENALTIES FOR CASH AID FRAUD: If on purpose you do not follow Cash Aid rules, your Cash Aid can be lowered for a period of time and you may be fined up to \$10,000 and/or sent to jail or prison for up to 3 years.

Your Cash Aid can be stopped:

- For not reporting all facts or for giving wrong facts: 6 months for the first offense, 12 months for the second offense, or forever for the third.
- For submitting one or more application to get aid in more than one case for the same time period: 2 years for the first conviction, 4 years for the second, and forever for the third.
- For conviction of felony fraud to get aid: 2 years for theft of amounts under \$2,000; 5 years for amounts of \$2,000 through \$4,999.99; and forever for amounts of \$5,000 or more.
- Forever: for giving the county false proof of residency in order to get aid in two or more counties or states at the same time; giving the county wrong facts for an ineligible child or a child that does not exist; getting more than \$10,000 in cash benefits through fraud; getting a third conviction for fraud in a court of law or an administrative hearing.

PENALTIES FOR FOOD STAMP FRAUD: If on purpose you do not follow Food Stamp rules, your Food Stamps can be stopped for 12 months for the first violation, 24 months for the second, and forever for the third. You may be fined up to \$250,000 and/or sent to jail/prison for 20 years.

- **If you are found guilty in any court of law or administrative hearing because:**
- You traded or sold Food Stamps for firearms, ammunition, or explosives, your Food Stamps can be stopped forever for the first violation.
- You traded or sold Food Stamps for controlled substances, your Food Stamps can be stopped for 24 months for the first violation and forever for the second.
- You traded or sold Food Stamps that were worth \$500 or more, your Food Stamps can be stopped forever.
- You gave the county false identify or residence information, so you can get Food Stamps in more than one case at the same time, your Food Stamps can be stopped for 10 years.

HOW TO FILL OUT YOUR QR 7 QUARTERLY ELIGIBILITY/STATUS REPORT**For Cash Aid, Food Stamps and State-Run County Medical Services Program (CMSP)**

- Save this notice to help you fill out your QR 7 (Quarterly Eligibility/Status Report) if you need help filling out your report, tell your worker.
- If you do not send in a complete report including, but not limited to, answering all questions on the QR 7 and attaching proof when we ask for it, your benefits may be delayed, changed, or stopped. **Attach a separate sheet of paper if needed.**
- Changes that may affect your eligibility for Cash Aid or Food Stamps that you are required to report, must be reported within 10 days.
- Facts you report may result in your benefits going up, down or being stopped.

**INSTRUCTIONS****HOW OFTEN YOU MUST COMPLETE THE QR 7**

For Cash Aid and Food Stamps you must turn in a complete QR 7 once every quarter (every three months). The County will tell you when you are supposed to turn in your completed QR 7.

For State-Run County Medical Services Program (CMSP) you must turn in a complete QR 7 only when the County sends you one.

REPORTING FOR PEOPLE WHO ARE LIVING IN YOUR HOME

If your family gets Cash Aid (no Food Stamps), report facts for:

- All children-natural, adopted and stepchildren.
- All parents-natural, adoptive and stepparent.
- Other aided relatives of the child.
- Yourself and your spouse.
- Anyone who is temporarily absent from the home.

If your family gets Cash Aid and Food Stamps you must also report facts for:

- All related adults.
- Others who buy and prepare food with you.

If your family gets Food Stamps only, you must report facts for:

- All children.
- All related adults.
- Others who buy and prepare food with you.

If you or your family get State-Run CMSP, you must report facts for:

- Your children-natural, adopted and stepchildren.
- All parents of the children-natural, adoptive and stepparents.
- Yourself and your spouse.

REQUEST TO STOP BENEFITS

- If you ask to have your Cash Aid stopped, your Medi-Cal may also be stopped or changed. Your may not be eligible for Medi-Cal or you may have to pay a share of cost of it.
- On the QR 7, complete the request to stop benefits section only if you want to stop any of your benefits. Check the benefits you want stopped and sign and date the QR 7. If you only want to stop some of your benefits and keep others, you must fill out the rest of the QR 7.
- You can also request to stop your benefits by calling your worker.

FACTS YOU MUST REPORT FOR EACH QUESTION

Part 1: Questions 1 through 3 are about what happened in the report month.

Question number:

- ① Any earnings, training allowances or other money anyone got. Such as wages, vacation pay, cash bonuses, child or spousal support; Social Security; Supplemental Security Income/State Supplementary payment (SSI/SSP); Unemployment/Disability Insurance; worker's compensation; any other type of disability or retirement; lottery winnings; insurance or legal settlements; rental income or assistance; free housing/utilities/clothing/food; or anything else. List the name of the person(s) who got the money, where they got the money from, the number of hours worked or in training, the date the person(s) actually got the money and the gross amount they got (this means the amount before any taxes or deductions). Attach proof such as, check stubs, copies of checks or statements from the employer, award letters from the agency you got the money from, etc. If self-employed, and you want to claim actual expenses, list

all business expenses on a separate sheet of paper. Attach proof such as, receipts or paid invoices, etc. If you want to figure your business costs by using the standard 40 percent deduction of your verified income, you do not need to list your business expenses.

- ② If anyone paid for the care of a child, disabled person or other dependent while working, looking for work, or while they were in school or training during the report month, list the name of the child or person who received the care and the amount that was paid. Attach proof of payment.

- ③ If you get Food Stamps and anyone paid court ordered child and/or spousal support, list the name of the person who paid it and the amount they paid. Attach proof of payment.

Part 2: Questions number 4 through 7 are about what has happened since your last quarterly report.

- ④ Anyone who moved into or out of your home or if you moved in with someone else. This includes; newborns; people who are temporarily absent from your home; anyone who died, entered or left a hospital or institution (including a penal institution), etc. List the name of the person who moved in or who you moved in with, their relationship to you, what happened and the date it happened.

- ⑤ Anyone who bought, got, sold, traded or gave away any of the following types of property, motor vehicles; checking or savings accounts; unused EBT cash balances from a previous month; savings bonds; life insurance policies; a home; land; trust, etc. List who owns the property, what kind of property, and how much the property is worth. Attach proof of how much the property is worth (if available).

- ⑥ Anyone in your home who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s) or who is avoiding or running from the law to avoid felony prosecution, custody or confinement after any felony conviction, or is in violation of probation or parole. List the name of the person and if they were convicted of a drug-related felony, list the date they were convicted. If you have previously reported the information to the County on a past CW 7/SAWS 7 or QR 7, you do not need to report the same information each quarter.

- ⑦ Other facts that could change your eligibility or the amount of your benefits, like starting or stopping a job, school or training; changes in the number of hours of you or anyone in your home works or is in school or training or if anyone goes on strike; anyone ages 6 through 17 stops or starts attending school regularly; a change in anyone's immigration or citizenship status; if anyone gets married, becomes divorced or separates; becomes disabled or recovers from a disability/major illness. Also give the facts for anyone who starts, stops or has a change in life, dental or health insurance, including MEDICARE coverage or if anyone starts or stops getting In-Home Supportive Services (IHSS).

Part 3: Question number 8 is about things you expect to happen in the next three months (except for housing or utility costs).

- ⑧ Any income or expenses you expect will change in the next three months. Expenses include: Medical expenses for someone who is age 60 or older; health insurance premiums; child/dependent care; college tuition and supplies; mandatory school supplies; child/spousal support; transportation costs for work, seeking work, school or training; room and board; self-employment expenses; etc. List the name of the person whose income or expenses will change, the source of the income or the expenses that will change, why it will change and the total gross amount of income or the expenses for each of the three months.

SEE OTHER SIDE FOR MORE INFORMATION

ADDRESS CHANGE

Give us the facts about any changes in your address or phone number. If you are getting Food Stamps you may be asked to give proof of new housing costs like rent and utilities. If your housing costs increased because of the move be sure to list the new amounts.

WHO MUST SIGN THE QR 7

- **For Cash Aid:** You and your aided spouse or other parent of the aided child(ren) if they live in your home.
- **For Food Stamps:** The head of household, an adult household member or the household's Authorized Representative.
- **For STATE CSMP:** The applicant, applicant's spouse or the person acting for the beneficiary.
- **And:** Any other person who fills out the report, an interpreter or the witness to your mark.

WHAT WE MEAN WHEN WE SAY

AVOIDING OR RUNNING FROM THE LAW TO AVOID PROSECUTION, CUSTODY OR CONFINEMENT: A person is considered avoiding or running from the law if an arrest warrant has been issued and the person knew or should have known from the facts that the law was looking for them.

CASH AID: CalWORKs (California Work Opportunity and Responsibility to Kids) and Refugee Cash Assistance.

CONTROLLED SUBSTANCE: Any drug whose availability is restricted by federal or state law, including but not limited to, narcotics, stimulants, depressants, hallucinogens and marijuana.

COMPLETE QR 7: A QR 7 is "complete" only when:

- All of the YES/NO questions are answered, and
- all of the information is filled in, and
- all of the proof is attached when the form asks for it, and
- all of the required signatures are on the form, and
- the form is signed and dated after the last day of the report month.

COURT ORDERED CHILD SUPPORT: The payment a legal document or court of law says you must make to a person for a child who is not in your home. Include payments made by a stepparent.

GROSS AMOUNT: The amount of your paycheck before deductions are taken out for taxes, social security, etc.

IN VIOLATION OF PROBATION OR PAROLE: Probation or parole was revoked or an arrest warrant was issued. The original crime for which probation or parole was ordered could be for a felony or misdemeanor.

REPORT MONTH: The month shown at the top right corner of the QR 7.

STATE CSMP: Medically necessary benefits for eligible adults who are not eligible for Medi-Cal and who live in some rural counties.

CERTIFICATION SECTION

- You must sign the QR 7 "under penalty of perjury." This means that you swear under oath that the facts you give us are true, correct and complete.
- Perjury and fraud are crimes punishable by law.

PENALTIES FOR CASH AID WELFARE FRAUD: If on purpose you do not follow Cash Aid rules, your Cash Aid can be lowered for a period of time and you may be fined up to \$10,000 and/or sent to jail or prison for up to 3 years.

Your Cash Aid can be stopped:

- For not reporting all facts or for giving wrong facts: 6 months for the first offense, 12 months for the second offense, or forever for the third.
- For submitting one or more application to get aid in more than one case for the same time period: 2 years for the first conviction, 4 years for the second, and forever for the third.
- For conviction of felony fraud to get aid: 2 years for theft of amounts under \$2,000; 5 years for amounts of \$2,000 through \$4,999.00; and forever for amounts of \$5,000 or more.

Forever: for giving the county false proof of residency in order to get aid in two or more counties or states at the same time; giving the county wrong facts for an ineligible child or a child that does not exist; getting more than \$10,000 in cash benefits through fraud; getting a third conviction for fraud in a court of law or an administrative hearing.

PENALTIES FOR FOOD STAMP FRAUD: If on purpose you do not follow Food Stamp rules, your Food Stamps can be stopped for 12 months for the first violation, 24 months for the second, and forever for the third. You may be fined up to \$250,000 and/or sent to jail/prison for 20 years.

- If you are found guilty in any court of law or administrative hearing because:
- you traded or sold Food Stamps for firearms, ammunition, or explosives, your Food Stamps can be stopped forever for the first violation.
- You traded or sold Food Stamps for controlled substances, your Food Stamps can be stopped for 24 months for the first violation and forever for the second.
- You traded or sold Food Stamps that were worth \$500 or more, your Food Stamps can be stopped forever.
- You gave the county false identify or residence information, so you can get Food Stamps in more than one case at the same time, your Food Stamps can be stopped for 10 years.

DO NOT FORGET:

- If your report is late, not complete or not turned in, your benefits may be late, changed or stopped.
- If your report is not complete when you turn it in, you will be asked to complete it again.
- If you sign and date your report before the last day of the report month, you will be asked to sign and date it again.
- If you are not sure how to report, what to report or what proof you need to send in, ask your worker.
- If your Cash Aid stops, you may still be eligible for Food Stamp benefits even if you are now employed.
- If your Cash Aid stops, you may still be eligible for no-cost or low-cost health coverage under Medi-Cal.

SPONSORED NONCITIZENS APPLYING FOR OR RECEIVING CASH AID AND/OR FOOD STAMPS

Important Information For Noncitizens Sponsored By Individuals

As a noncitizen who is sponsored by an individual(s), you must meet special conditions to receive Cash Aid and/or Food Stamps.

The Special Conditions Are:

- Your sponsor's income and resources will have to be reviewed for you to receive benefits. Your sponsor must provide information on the attached form. Both you and your sponsor must sign this form.
- If your application is approved, you and your sponsor will have to complete quarterly income and resource reports for Cash Aid and Food Stamp benefits. If your sponsor does not provide this information, your benefits may be changed or stopped. Family members who are not sponsored and are otherwise eligible can get and continue to get their benefits.
- **You are the person responsible for getting all the information requested to the county welfare department for both you and your sponsor.**

Important Information For Sponsors

The noncitizen you sponsor has applied for Cash Aid and/or Food Stamps. If you completed an affidavit of support, State regulations require the county welfare department to evaluate your income, resources, and property in deciding whether or not the noncitizen applicant can get benefits. Sponsorship is normally for an indefinite period of time. This form must be completed and signed by you under penalty of perjury. If you are living with your spouse or your spouse has signed an affidavit of support, your spouse's income, resources, and property are also counted.

If the noncitizen's application for Cash Aid is approved, **each quarter** you will have to report your income, resources, and property on the Sponsor's Quarterly Income and Resources Report (QR 72). The noncitizen will provide you with the report form. Your report must be completed and returned to the noncitizen immediately to ensure the noncitizen's continued eligibility. Each quarter, resources and a portion of your income will be used to determine the noncitizen's continued eligibility and benefits.

If the noncitizen receives benefits to which he or she is not entitled because you failed to accurately report information, you and/or the noncitizen may have to repay these benefits.

SPONSOR'S STATEMENT OF FACTS INCOME AND RESOURCES

(Supplemental Application For Food Stamps And Cash Aid)

INSTRUCTIONS: PLEASE ANSWER THE FOLLOWING QUESTIONS FOR YOURSELF AND YOUR SPOUSE (IF LIVING TOGETHER OR IF SPOUSE HAS SIGNED AN AFFIDAVIT OF SUPPORT) AND RETURN IT TO THE NONCITIZEN IMMEDIATELY.

Noncitizen Name and Address

COUNTY USE ONLY

CASE NAME: _____

CASE NO: _____

WORKER NO: _____

Proof may be needed to verify answers to the following questions. Attach proof when the form asks for it.

1 YOUR NAME (FIRST, MIDDLE, LAST) TELEPHONE NUMBER
()

HOME ADDRESS (NUMBER, STREET, CITY, STATE, ZIP CODE)

MAILING ADDRESS (IF DIFFERENT THAN HOME ADDRESS)

2 YOUR SPOUSE'S NAME (IF LIVING TOGETHER OR SIGNED AN AFFIDAVIT OF SUPPORT) (FIRST, MIDDLE, LAST) HAS SPONSOR'S SPOUSE SIGNED AN AFFIDAVIT OF SUPPORT? ☐ Yes ☐ No

3 Do you or your spouse get assistance such as: California Work Opportunity and Responsibility to Kids (CalWORKs), Food Stamps, or Supplemental Security Income (SSI)? If Yes, complete below: ☐ Yes ☐ No

Case Name	Date of Birth	Type of Assistance	County	State

If **both** you and your spouse get Assistance and the noncitizen is **not** applying for Food Stamps, complete only the Certification section on Page 3 and return the form. For all others, go to Question (4).

4 A. Have you or your spouse sponsored any other noncitizen's entry into the United States? ☐ Yes ☐ No
If Yes, complete below using the I-864, I-864A or the I-134:

Noncitizen Name	Noncitizen Address	Date of Admission to U.S.

B. Are any of the noncitizens listed in (4A) receiving any type of assistance such as: CalWORKs, Food Stamps or SSI? ☐ Yes ☐ No
If Yes, complete below:

Type of Assistance	Date First Applied	County	State

5 Do you or your spouse have other persons who are claimed or could be claimed as dependents for federal income tax purposes? ☐ Yes ☐ No
If Yes, complete below:

Name of Person(s)	Does Person Live With Sponsor
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No

VERIFIED:

☐ Letter on File
☐ Verbal Communication
☐ Other: _____

VERIFIED:

☐ Affidavit of Support
on File

☐ I-864

☐ I-864A

☐ I-134

☐ Other: _____

☐ Verified

☐ Verified

☐ IRS Form 1040 Reviewed

☐ Other: _____

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

6 Are you or your spouse currently employed? ☐ Yes ☐ No If Yes, complete section below. Attach paystubs or other proof of earnings. If you or your spouse are self-employed, list business expenses on a separate sheet of paper and attach proof of income and expenses.							COUNTY USE ONLY		
Name	Name of Employer	Gross Pay (Before Deductions)	How Often Paid (Weekly, Monthly, etc.)	Commissions or tips	Number of Tax Dependents Claimed	Check if Exempt	Enter Date Viewed Pay Stubs Other		
		\$		\$		☐ Yes ☐ No			
		\$		\$		☐ Yes ☐ No			

7 Do you or your spouse receive or expect to receive any other income such as: Social Security, Unemployment/Disability Insurance, Child/Spousal Support, Veterans Benefits, etc. ☐ Yes ☐ No If Yes, complete section below and attach proof of the income.					
Name	Type of Income	Amount	How Often Received	Check if Exempt	Specify Verification and Date Reviewed:
		\$		☐ Yes ☐ No	
		\$		☐ Yes ☐ No	
		\$		☐ Yes ☐ No	

8 Do you or your spouse have any of the following resources? Check each item. If Yes, explain below.					
Resource	Sponsor	Spouse	Resource	Sponsor	Spouse
Checks or Money (At Home or Elsewhere)	☐ Yes ☐ No	☐ Yes ☐ No	Trust Funds	☐ Yes ☐ No	☐ Yes ☐ No
Checking, Savings, Credit Union Account	☐ Yes ☐ No	☐ Yes ☐ No	Stocks, Bonds, Certificates	☐ Yes ☐ No	☐ Yes ☐ No
Notes, Mortgages, Trust Deeds, Sales Contracts	☐ Yes ☐ No	☐ Yes ☐ No	Other (Specify below)	☐ Yes ☐ No	☐ Yes ☐ No

Type of Resource	Owner	Current Value	Location (Home, Bank, Address, etc.)	Account Number	Check if Exempt
		\$			☐ Yes ☐ No
		\$			☐ Yes ☐ No
		\$			☐ Yes ☐ No

9 Do you or your spouse own (or are you buying) any real property, such as: a house, land, building, etc. If Yes, complete section below: ☐ Yes ☐ No								
Name	Type of Property	Address/Location	How Used? (Home, Rent, etc.)	Balance Owed	Value	Name of Mortgage Co.	Check if Exempt	Date Registration and Records Viewed 1. _____ 2. _____
				\$	\$		☐ Yes ☐ No	
				\$	\$		☐ Yes ☐ No	
				\$	\$		☐ Yes ☐ No	

10 Do you or your spouse own or use or are you buying any motor vehicles, such as: a car, truck, boat, trailer, van, camper, motorcycle, etc. If Yes, complete section below: ☐ Yes ☐ No						
Name	Year, Make, Model	License Number and State of Registration	Amount of current License Fee	Balance Owed	Check if Exempt	Vehicle Valuation 1. \$ _____ 2. \$ _____
					☐ Yes ☐ No	
					☐ Yes ☐ No	
					☐ Yes ☐ No	

11 Do you or your spouse who receive income pay any court ordered support? If Yes, enter the monthly amount \$ _____ Who pays? _____ ☐ Yes ☐ No			☐ Verified
12 Do you or your spouse make support payments to other persons not living in your home? If Yes, complete section below: ☐ Yes ☐ No			
Who Pays	To Whom Paid (Name)	Amount Paid	
		\$	
		\$	
		\$	
		\$	

13 Do you or your spouse own or use personal property or resources such as: Jewelry, equipment, instruments, livestock, etc.? Do not list clothing, wedding rings, rugs, furniture, appliances, other household furnishings. If Yes, complete section below: ☐ Yes ☐ No						
Name	Name of Item	Date of Purchase	Purchase Price	Gift	Amount Owed	Net Market Value
			\$	☐ Yes ☐ No		1. _____
			\$	☐ Yes ☐ No		2. _____
			\$	☐ Yes ☐ No		3. _____
			\$	☐ Yes ☐ No		4. _____

CERTIFICATION

- I understand that if on purpose I don't give the right facts or all the facts for the CalWORKs, Food Stamp or cash-based Medi-Cal Programs, I can be punished and I can be legally accused of the crime of fraud. If I am found guilty of committing fraud, I can be fined up to \$10,000 for CalWORKs and \$250,000 for Food Stamps. And, I can go to jail/prison for up to 5 years for CalWORKs and 20 years for Food Stamps. In the CalWORKs and Food Stamp Programs, my benefits can be stopped for 6 months, 12 months, 2 years, 4 years, 5 years, 10 years or forever.
- I understand that the information provided on this form may be verified by local, state and federal agencies.
- I understand that the noncitizen's case, including my statement, may be selected for an additional review to ensure that the noncitizen's eligibility was determined correctly.
- I understand that I may be required to repay any benefits which are overpaid because of incorrectly or incompletely reported information.

- If the noncitizen is applying for Cash Aid, both you and your spouse must sign the form. If the noncitizen is applying for Food Stamps only, either you or your spouse must sign the form.

SPONSOR'S CERTIFICATION:

- I understand that the term for Sponsorship is normally an indefinite period of time.
- I declare under penalty of perjury under the laws of the United States of America and the State of California that the above information contained on this statement of facts is true, correct, and complete.

SPONSOR'S SIGNATURE OR MARK	DATE
SPONSOR'S SPOUSE'S SIGNATURE OR MARK (IF LIVING WITH SPOUSE OR HAS SIGNED AN AFFIDAVIT OF SUPPORT)	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

- If the noncitizen is applying for Cash Aid, the noncitizen must sign this form. If the noncitizen is applying for Food Stamps only, the form must be signed by the noncitizen, the head of household, a household member, or an authorized representative.

NONCITIZEN'S CERTIFICATION:

- I have reviewed this signed and completed form from my sponsor(s). I declare under penalty of perjury under the laws of the United States of America and the State of California that it is true, correct, and complete to the best of my knowledge.

NONCITIZEN'S OR DECLARANT'S SIGNATURE OR MARK	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

COUNTY USE ONLY

Evaluation of Sponsor/Sponsor's Spouse Real/Personal Property Resources		CalWORKs Sponsor/Sponsor's Spouse Income Computation		Food Stamp Sponsor/Sponsor's Spouse Computation	
A. ITEMS	VALUE	A. Earned Income	\$	A. Earned Income	\$
	\$	B. Unearned Income	+	B. Less 20%	-
	\$	C. Subtotal	=	C. Unearned Income	+
	\$	D. Total number of sponsored noncitizens applying for/receiving CalWORKs		D. Gross Income Deduction for Sponsor's household size	-
B. Total	\$	E. Divide C by D	÷	E. Subtotal	+
C. Less: Food Stamp Deduction (\$1500)	X \$1500	F. Subtotal	=	F. Total number of sponsored noncitizens replace applying for/receiving Food Stamps	
D. Equals Subtotal	=	G. Number of sponsored noncitizens in this AU		G. Divide E by F	÷
E. Total number of sponsored noncitizens applying for/receiving CW/FS		H. Multiply E by F	x	H. Total	=
F. Divide D by E	÷	I. Total	=	Amount in H to be deemed income for each sponsored noncitizen.	
G. Total		Amount in I to be deemed income for entire AU.			
Amount in G to be included in each noncitizen's property limits.					

E. W. SIGNATURE	E. W. SUPERVISOR	DATE
-----------------	------------------	------

SPONSOR'S QUARTERLY INCOME AND RESOURCES REPORT

GIVE THIS TO YOUR SPONSOR

COMPLETE, SIGN, DATE AND RETURN THIS FORM AFTER:

THIS REPORT IS FOR THE MONTH OF _____

CASE NAME _____

CASE NUMBER _____

SPONSOR'S INSTRUCTIONS

- You and your spouse (if living together or if spouse has signed an affidavit of support) must complete and sign this report and return it immediately to the noncitizen you sponsor.
 - The noncitizen must complete, sign and date the form and, give it to sponsor by the 5th of the month. If a complete report, including verification, is not received by the 11th of the month, the noncitizen's Cash Aid may be delayed, lowered, or stopped.
 - Call the county if you need help completing this form.
- Noncitizen's Name and Address _____

WORKER: _____

PHONE: _____

1 Sponsor's Name (First, Middle, Last) _____

Answer the following questions for your spouse if she/he is living with you OR has signed an affidavit of support.

2 Sponsor's Spouse's Name (If Living Together) (First, Middle, Last) _____ Has sponsor's spouse signed an affidavit of support? ☐ YES ☐ NO

3 During the report month did you and/or your spouse receive income, money or benefits, such as: earnings, training payments, earned income tax credit, strike benefits, social security, railroad retirement, unemployment or disability insurance, interest, worker's compensation, SSI/SSP, child/spousal support, loans, grants, tax refund, cash gifts, free housing/utilities, etc.? ☐ YES ☐ NO

If YES, list who received income, employer's name or other source of income, gross amount before deductions, and actual date received. Attach paystubs or other proof of earnings for the report month. Attach proof of any other income only when it starts and when it changes.

If self-employed, list business expenses on a separate sheet of paper and attach proof of income and expenses.

NAME	SOURCE	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED
NAME	SOURCE	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED	AMOUNT \$ DATE RECEIVED

4 Do you and/or your spouse receive Cash Aid, such as California Work Opportunity and Responsibility to Kids (CalWORKs) or Supplemental Security Income (SSI)? ☐ YES ☐ NO
If YES, complete below.

CASE NAME	DATE OF BIRTH	TYPE OF CASH AID	COUNTY	STATE

If both you and your spouse (who is living with you) receive Cash Aid, skip to Question 10 and complete the Certification Section.

5 Since your last quarterly report or application, did you or your spouse have any changes in personal and/or real property, such as: Receive, buy, sell or give away a motor vehicle, camper, boat, land or house, etc.? ☐ YES ☐ NO
If YES, explain the type of change, date of change and the amount, if applicable.

6 Did you or your spouse have a checking, savings or credit union account at the end of the report month? ☐ YES ☐ NO
If YES, complete below.

☐ Credit Union	Balance On Last Day of Report Month	Whose Account?	☐ Credit Union	Balance On Last Day of Report Month	Whose Account?
☐ Checking			☐ Checking		
☐ Savings	\$		☐ Savings	\$	

COUNTY USE ONLY

WORKER INITIALS

DATE

- 7 Since your last quarterly report, was there a change in the number of persons who are claimed as dependents for federal income tax purposes by you or your spouse? If YES, complete below. ☐ YES ☐ NO

NAME OF PERSON(S)	DOES PERSON LIVE WITH SPONSOR?	DATE OF CHANGE	EXPLAIN WHAT CHANGED
	☐ YES ☐ NO		
	☐ YES ☐ NO		

- 8 Since your last quarterly report, was there any change in payments made to persons who are claimed as federal tax dependents who are not living with you or your spouse? If YES, explain what changed, list the name of the person(s), amount paid and who paid: ☐ YES ☐ NO

- 9 During the report month or application, did you or your spouse pay any court-ordered support? If YES, enter the amount paid and attach receipts: \$ ☐ YES ☐ NO

- 10 Do you or your spouse have any other information to report such as: a new address, a change in the number of noncitizens that you sponsor and who will receive Cash Aid, recent or expected changes in income, etc.? If YES, explain the change and if it is expected to be temporary or permanent, and give the date of change. ☐ YES ☐ NO

CERTIFICATION SECTION

- I understand that the term for Sponsorship is normally an indefinite period of time.
- I understand that failure to report information or misrepresentation of facts for Cash Aid can result in legal prosecution with penalties of a fine, imprisonment or both.
- I understand that I may be required to repay any benefits which are overpaid because of incorrectly or incompletely reported information.

SPONSOR'S CERTIFICATION

- I declare under penalty of perjury under the laws of the State of California that the information contained in this report is true and correct and is complete.

SIGNATURE OF SPONSOR	DATE
SIGNATURE OF SPONSOR'S SPOUSE (IF LIVING TOGETHER OR SIGNED AN AFFIDAVIT OF SUPPORT)	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

NONCITIZEN'S CERTIFICATION

- I have reviewed this signed and completed report from my sponsor(s). I declare under penalty of perjury under the laws of the State of California that, to the best of my knowledge, the information contained in this report is true and correct and is complete.

NONCITIZEN'S OR DECLARANT'S SIGNATURE OR MARK	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

COUNTY USE ONLY

Evaluation of Sponsor/Sponsor's Spouse Real/Personal Property Resources	CalWORKs Sponsor/Sponsor's Spouse Income Computation	Food Stamps Sponsor/Sponsor's Spouse Income Computation
A. ITEMS VALUE _____ \$ _____ _____ \$ _____ _____ \$ _____ _____ \$ _____ B. Total \$ _____ C. Less: Food Stamp Deduction (\$1500) - CW X FS \$1500 D. Subtotal = _____ E. Total number of sponsored noncitizens apply for/receiving CW/FS _____ F. Divide D by E = _____ G. Total _____ Amount in G to be included in each noncitizen's property limits.	A. Earned Income \$ _____ B. Unearned Income + _____ C. Subtotal = _____ D. Total number of sponsored noncitizens applying for/receiving CalWORKs ÷ _____ E. Divide C by D _____ F. Subtotal = _____ G. Number of sponsored noncitizens in this AU _____ H. Multiply E by F x _____ I. Total = _____ Amount in I to be deemed income for entire AU.	A. Earned Income \$ _____ B. Less 20% - _____ C. Unearned Income + _____ D. Gross Income Deduction for sponsor's household size - _____ E. Subtotal = _____ F. Total number of sponsored noncitizens applying for/receiving Food Stamps _____ G. Divide E by F ÷ _____ H. Total = _____ Amount in H to be deemed income for each sponsored noncitizen.

FOOD STAMP BUDGET WORKSHEET

CASE NAME	COMPANION CASE REFERENCE	CASE NUMBER	CLASSIFICATION ☐ NA ☐ PA ☐ MIXED ☐ TFS
CERTIFICATION PERIOD FROM _____ THROUGH _____	CHANGE REPORT ☐	QR 7 ☐	MID-QUARTER REPORT ☐

PART 1 - INCOME FOR CHANGE REPORTING (CR) AND QUARTERLY REPORTING (QR) HOUSEHOLDS

A. NONEXEMPT GROSS EARNED INCOME		GROSS SALARY/WAGES	SELF EMPLOYMENT	TRAINING ALLOWANCE	
1. Month 1/Year _____ / _____		\$ _____	\$ _____	\$ _____	
2. Month 2/Year _____ / _____		\$ _____	\$ _____	\$ _____	
3. Month 3/Year _____ / _____		\$ _____	\$ _____	\$ _____	
4. Total Gross Earned Income (A1 + A2 + A3)					Total \$ _____ (A4)
5. QR Averaged Gross Earned Income (A4 ÷ number of months)					Total \$ _____ (A5)

B. NONEXEMPT GROSS UNEARNED INCOME		CASH AID	SOCIAL SECURITY, UIB, DIB, PENSIONS	CHILD/SPOUSAL SUPPORT	SCHOLARSHIPS, GRANTS, LOANS	OTHER	
1. Month 1/Year _____ / _____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	
2. Month 2/Year _____ / _____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	
3. Month 3/Year _____ / _____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	
4. Total Gross Unearned Income (B1 + B2 + B3)							Total \$ _____ (B4)
5. QR Averaged Gross Unearned Income (B4 ÷ number of months)							Total \$ _____ (B5)

PART 2 - GROSS INCOME TEST FOR CR AND QR REPORTING HOUSEHOLDS

C. GROSS INCOME TEST			
1. Maximum Gross Income allowed for Household Size of _____ (from table)		\$ _____	
2. Total Gross Income (A4 + B4) or (A5 + B5) =		\$ _____	☐ YES ☐ NO
3. Gross Income Eligible? (Is C2 less than or equal to C1?)			Total \$ _____ (C3)

PART 3 - NET INCOME

D. NONEXEMPT GROSS INCOME			
1. Gross Earned Income (A4 or A5)		\$ _____	
2. Adjusted Gross Earned Income (80% of D1)		\$ _____	
3. Total Gross Unearned Income (B4 or B5)		\$ _____	
4. Nonexempt Gross Income (D2 + D3)		\$ _____	

E. EXCESS MEDICAL EXPENSES (Special Medical)			
1. Expected Recurring Expenses (Occurring during the entire certification period). Include recurring averaged expenses.		\$ _____	
2. Limited Period Expenses (Occurring during only a portion of the certification period). Include limited averaged expenses.		\$ _____	
3. Total Allowable Expenses (E1 + E2)		\$ _____	
4. Less Medical Expense Allowance (\$35)		\$ _____	
5. Excess Medical Expenses (E3 - E4)		\$ _____	

F. STANDARD, DEPENDENT CARE, MEDICAL, HOMELESS SHELTER AND CHILD SUPPORT DEDUCTIONS			
1. Standard Deduction		\$ _____	
2. Dependent Care		\$ _____	
Child(ren) Under Two		\$ _____	
Other Dependents & Child(ren) 2 and Over		\$ _____	
3. Homeless Shelter Deduction		\$ _____	
4. Child Support Deduction		\$ _____	
Total Legally Obligated Child Support Paid Out by Household		\$ _____	
5. Excess Medical Expenses (E5)		\$ _____	
6. Total Deductions (F1 + F2 + F3 + F4 + F5)		\$ _____	

G. ADJUSTED NET INCOME			
1. Nonexempt Gross Income (D4)		\$ _____	
2. Total Deductions (F6)		\$ _____	
3. Adjusted Net Income (D4 - F6) or (G1 - G2)		\$ _____	

H. SHELTER DEDUCTION			
1. Total Housing Costs		\$ _____	
2. Total Utility costs (Actual or SUA)		\$ _____	
3. Total Shelter costs		\$ _____	
4. Allowable Shelter costs (50% of G3)		\$ _____	
5. Excess Shelter costs (H3 - H4)		\$ _____	
6. Maximum Allowance For Shelter		\$ _____	
7. Allowable Shelter Deduction (Lesser of H5 or H6)		\$ _____	

I. NET MONTHLY INCOME (G3 - H7)		
		\$ _____

J. NET INCOME TEST		
1. Household Size		\$ _____
2. Maximum Net Income Allowable (from table)		\$ _____
3. Net Income eligible		☐ YES ☐ NO

DOCUMENTATION

☐ Weekly \$ _____ x 4.33 = \$ _____
(Stable income)

☐ Biweekly \$ _____ x 2.167 = \$ _____
(Stable income)

☐ Dependent Care

☐ Child Support

☐ Medical Expense

QTR AVG	MID QTR AVG

☐ Utilities

☐ Actual (Averaged over cert. period)

☐ SUA

☐ Housing

PART 4 - BENEFITS

ALLOTMENT

SUPPLEMENT

E.W. Initials/Date

K. RESOURCE ELIGIBILITY (Nonexempt Resources Only)	PAYMENT QUARTER	PAYMENT QUARTER
1. Quarter/Month's Resources	\$ _____	\$ _____
2. Additional Resources (specify)	_____	_____
a. _____	_____	_____
b. _____	_____	_____
c. _____	_____	_____
3. Subtotal (K1 + K2a + K2b + K2c)	\$ _____	\$ _____
4. Resources Sold, Traded or Given Away (specify)	\$ _____	\$ _____
a. _____	_____	_____
b. _____	_____	_____
c. _____	_____	_____
5. Subtotal (K4a + K4b + K4c)	\$ _____	\$ _____
6. Current Resources (K3 - K5)	\$ _____	\$ _____
7. Resource Eligible?	☐ Yes ☐ No	☐ Yes ☐ No

PART 5-INCOME COMPUTATIONS	PAYMENT QUARTER	PAYMENT QUARTER
L. SELF-EMPLOYMENT (Nonexempt Resources Only)		
1. Gross Income from Self-Employment	\$ _____	\$ _____
2. Expenses: ☐ Standard 40% Deduction	\$ _____	\$ _____
☐ Actual Expenses (Verification Required)	\$ _____	\$ _____
3. Total Nonexempt Income from Self-Employment	\$ _____	\$ _____
If averaging self-employment income go to L7. If adjusting a previous average, continue to L4.		
4. Adjustment to Gross Income	\$ _____	\$ _____
5. Adjustment to Expenses	\$ _____	\$ _____
6. Adjusted Self-Employment Income (L3 + L4 + L5)	\$ _____	\$ _____
7. Monthly Self-Employment Income (L3 or L6 ÷ number of months income covers)	\$ _____	\$ _____

M. EDUCATIONAL GRANTS, SCHOLARSHIPS AND LOANS	PAYMENT QUARTER	PAYMENT QUARTER
1. Income from Grants, Scholarships or Loans	\$ _____	\$ _____
2. Tuition and Mandatory Fees	\$ _____	\$ _____
3. Total Nonexempt Educational Income (M1 - M2)	\$ _____	\$ _____
4. Monthly Income from Grants, Scholarships or Loans (M3 ÷ number of months income covers)	\$ _____	\$ _____

PART 6-REPORTED CHANGES (Other than the QR 7 or DFA 377.5)					
Type of Change					
Date Change Occurred					
Date Change Reported					
EW Initials					

FOOD STAMP NOTICE OF APPROVAL

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

☐ **YOUR APPLICATION FOR FOOD STAMP BENEFITS HAS BEEN APPROVED.** Your certification covers the period from _____ through _____.

We used the facts you gave us to figure your benefits. If nothing changes you will get:

\$ _____ for _____ for _____ people.
\$ _____ for _____ for _____ people.
\$ _____ for _____ for _____ people.

- ☐ Your food stamp eligibility starts the same day as your cash aid.
☐ Your first month's benefits include more than one month's benefits because of the date your application was approved.
☐ Your first month's benefits were prorated from the date you filed your application.

☐ **BECAUSE YOU NEEDED FOOD STAMPS RIGHT AWAY**, we did not require you to give us the following verification:

You must give us this verification before _____ or your food stamp eligibility will stop. You will not get another notice. If the verification you send changes your eligibility or benefits, we will make the change. You **will not** get an advance notice before we take this action.

IF YOU ALSO APPLIED FOR CASH AID, and it has not yet been approved, your food stamp benefits may be lowered or stopped without another notice if your cash aid is approved.

☐ **COMMENTS:**

Rules: These rules apply:
You may review them at your welfare office.

YOUR HEARING RIGHTS

You have the right to ask for a hearing if you disagree with any county action. You have only 90 days to ask for a hearing. The 90 days started the day after the county gave or mailed you this notice.

If you ask for a hearing before an action on Cash Aid, Medi-Cal, Food Stamps, or Child Care takes place:

- Your Cash Aid or Medi-Cal will stay the same while you wait for a hearing.
- Your Child Care Services may stay the same while you wait for a hearing.
- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.

If the hearing decision says we are right, you will owe us for any extra Cash Aid, Food Stamps or Child Care Services you got. To let us lower or stop your benefits before the hearing, check below:

Yes, lower or stop: ☐ Cash Aid ☐ Food Stamps ☐ Child Care

While You Wait for a Hearing Decision for:

Welfare to Work:

You do not have to take part in the activities.

You may receive child care payments for employment and for activities approved by the county before this notice.

If we told you your other supportive services payments will stop, you will not get any more payments, even if you go to your activity.

If we told you we will pay your other supportive services, they will be paid in the amount and in the way we told you in this notice.

- To get those supportive services, you must go to the activity the county told you to attend.
- If the amount of supportive services the county pays while you wait for a hearing decision is not enough to allow you to participate, you can stop going to the activity.

Cal-Learn:

- You cannot participate in the Cal-Learn Program if we told you we cannot serve you.
- We will only pay for Cal-Learn supportive services for an approved activity.

OTHER INFORMATION

Medi-Cal Managed Care Plan Members: The action on this notice may stop you from getting services from your managed care health plan. You may wish to contact your health plan membership services if you have questions.

Child and/or Medical Support: The local child support agency will help collect support at no cost even if you are not on cash aid. If they now collect support for you, they will keep doing so unless you tell them in writing to stop. They will send you current support money collected but will keep past due money collected that is owed to the county.

Family Planning: Your welfare office will give you information when you ask for it.

Hearing File: If you ask for a hearing, the State Hearing Division will set up a file. You have the right to see this file before your hearing and to get a copy of the county's written position on your case at least two days before the hearing. The state may give your hearing file to the Welfare Department and the U.S. Departments of Health and Human Services and Agriculture. (W&I Code Sections 10850 and 10950.)

TO ASK FOR A HEARING:

- Fill out this page.
- Make a copy of the front and back of this page for your records. If you ask, your worker will get you a copy of this page.
- Send or take this page to:

OR

- Call toll free: 1-800-952-5253 or for hearing or speech impaired who use TDD, 1-800-952-8349.

To Get Help: You can ask about your hearing rights or for a legal aid referral at the toll-free state phone numbers listed above. You may get free legal help at your local legal aid or welfare rights office.

If you do not want to go to the hearing alone, you can bring a friend or someone with you.

HEARING REQUEST

I want a hearing due to an action by the Welfare Department of _____ County about my:

☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal

☐ Other (list) _____

Here's Why: _____

- ☐ If you need more space, check here and add a page.
- ☐ I need the state to provide me with an interpreter at no cost to me. (A relative or friend cannot interpret for you at the hearing.)

My language or dialect is: _____

NAME OF PERSON WHOSE BENEFITS WERE DENIED, CHANGED OR STOPPED

BIRTH DATE	PHONE NUMBER
STREET ADDRESS	
CITY	STATE ZIP CODE
SIGNATURE	DATE
NAME OF PERSON COMPLETING THIS FORM	PHONE NUMBER

- ☐ I want the person named below to represent me at this hearing. I give my permission for this person to see my records or go to the hearing for me. (This person can be a friend or relative but cannot interpret for you.)

NAME	PHONE NUMBER
STREET ADDRESS	
CITY	STATE ZIP CODE

**FOOD STAMP NOTICE OF
EXPIRATION OF CERTIFICATION**

*If you have any questions or want more information
about this action, please contact your worker.*

Case Name :
Case Number :
District :
Worker :
Phone :
Date of Notice :

1. Your current food stamp certification period will end on: _____.

☐ Your application for recertification is being processed.

2. If you want to continue receiving food stamp benefits after the end of your current certification period, without a break in benefits, you must:

☐ Submit your complete Quarterly Report (QR 7) so it is received no later than _____, fill out the attached application and submit it to the county welfare department by no later than your recertification interview (see 3 below).

☐ Submit your complete Quarterly Report (QR 7) so it is received no later than _____.

☐ Fill out and submit an application so it is received by the county welfare department no later than _____.

3. To be sure your application for recertification is processed promptly, you must:

☐ Appear for an interview on: _____ at:

You may bring your completed Quarterly or Change Report (QR 7/DFA 377.5) to your recertification interview if you wish.

☐ Call for an interview appointment.

☐ Mail/bring your application to:

☐ Call for an application.

☐ Do the following so we can finish processing your application:

IF YOU REAPPLY LATER THAN THE DATE SPECIFIED IN NO. 2 ABOVE, YOU MAY HAVE TO WAIT UP TO 30 DAYS BEFORE FINAL ACTION IS TAKEN ON YOUR APPLICATION. In addition, your benefits may be prorated for the first month of the first quarter of your new certification period.

☐ If you have a good reason for not applying on time, you should tell the county welfare department. You may be entitled to have any lost benefits restored if the county welfare department decides you had a good reason.

IF YOU MISS YOUR SCHEDULED INTERVIEW AND YOU HAVE A GOOD REASON, YOU SHOULD TELL THE COUNTY WELFARE DEPARTMENT. IF THE COUNTY WELFARE DEPARTMENT DECIDES THAT CIRCUMSTANCES BEYOND YOUR CONTROL PREVENTED YOU FROM ATTENDING THE INTERVIEW, A SECOND INTERVIEW WILL BE SCHEDULED.

You have the right to request an application from the county welfare department at any time and to have the county welfare department accept your application. If you and/or your authorized representative are unable to reapply in person at the county welfare department and you have a good reason for not being able to do so, you should call the county welfare department at the above number. We can arrange to have a worker interview you or your authorized representative at home or by telephone.

The above action is required by the following Food Stamp Manual Section(s):

You have the right to request a state hearing if you disagree with any of these requirements. See the back of this notice for a hearing request.

YOUR HEARING RIGHTS

You have the right to ask for a hearing if you disagree with any county action. You have only 90 days to ask for a hearing. The 90 days started the day after the county gave or mailed you this notice.

If you ask for a hearing before an action on Cash Aid, Medi-Cal, Food Stamps, or Child Care takes place:

- Your Cash Aid or Medi-Cal will stay the same while you wait for a hearing.
- Your Child Care Services may stay the same while you wait for a hearing.
- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.

If the hearing decision says we are right, you will owe us for any extra Cash Aid, Food Stamps or Child Care Services you got. To let us lower or stop your benefits before the hearing, check below:

Yes, lower or stop: ☐ Cash Aid ☐ Food Stamps ☐ Child Care

While You Wait for a Hearing Decision for:

Welfare to Work:

You do not have to take part in the activities.

You may receive child care payments for employment and for activities approved by the county before this notice.

If we told you your other supportive services payments will stop, you will not get any more payments, even if you go to your activity.

If we told you we will pay your other supportive services, they will be paid in the amount and in the way we told you in this notice.

- To get those supportive services, you must go to the activity the county told you to attend.
- If the amount of supportive services the county pays while you wait for a hearing decision is not enough to allow you to participate, you can stop going to the activity.

Cal-Learn:

- You cannot participate in the Cal-Learn Program if we told you we cannot serve you.
- We will only pay for Cal-Learn supportive services for an approved activity.

OTHER INFORMATION

Medi-Cal Managed Care Plan Members: The action on this notice may stop you from getting services from your managed care health plan. You may wish to contact your health plan membership services if you have questions.

Child and/or Medical Support: The local child support agency will help collect support at no cost even if you are not on cash aid. If they now collect support for you, they will keep doing so unless you tell them in writing to stop. They will send you current support money collected but will keep past due money collected that is owed to the county.

Family Planning: Your welfare office will give you information when you ask for it.

Hearing File: If you ask for a hearing, the State Hearing Division will set up a file. You have the right to see this file before your hearing and to get a copy of the county's written position on your case at least two days before the hearing. The state may give your hearing file to the Welfare Department and the U.S. Departments of Health and Human Services and Agriculture. **(W&I Code Sections 10850 and 10950.)**

TO ASK FOR A HEARING:

- Fill out this page.
- Make a copy of the front and back of this page for your records. If you ask, your worker will get you a copy of this page.
- Send or take this page to:

OR

- Call toll free: 1-800-952-5253 or for hearing or speech impaired who use TDD, 1-800-952-8349.

To Get Help: You can ask about your hearing rights or for a legal aid referral at the toll-free state phone numbers listed above. You may get free legal help at your local legal aid or welfare rights office.

If you do not want to go to the hearing alone, you can bring a friend or someone with you.

HEARING REQUEST

I want a hearing due to an action by the Welfare Department of _____ County about my:

☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal

☐ Other (list) _____

Here's Why: _____

☐ If you need more space, check here and add a page.

☐ I need the state to provide me with an interpreter at no cost to me. (A relative or friend cannot interpret for you at the hearing.)

My language or dialect is: _____

NAME OF PERSON WHOSE BENEFITS WERE DENIED, CHANGED OR STOPPED

BIRTH DATE _____ PHONE NUMBER _____

STREET ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

SIGNATURE _____ DATE _____

NAME OF PERSON COMPLETING THIS FORM _____ PHONE NUMBER _____

☐ I want the person named below to represent me at this hearing. I give my permission for this person to see my records or go to the hearing for me. (This person can be a friend or relative but cannot interpret for you.)

NAME _____ PHONE NUMBER _____

STREET ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

COUNTY OF _____

FOOD STAMP NOTICE OF CHANGE FOR QUARTERLY REPORTING HOUSEHOLD

Notice Date : _____
Case : _____
Name : _____
Number : _____
Worker : _____
Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

If you have any questions or want more information about this action, please contact your worker.

State Hearing: You can ask for a hearing if you believe the action is wrong. The back of this page tells how to ask for a hearing. If you already had a hearing on the cause of the overissuance that is being collected, you cannot ask for a new hearing, unless you think the new amount of food stamp benefits you are getting because of the overissuance collection is incorrect.

☐ **CHANGE IN BENEFITS**

Effective _____, your food stamp benefits are changed from \$ _____ to \$ _____ each month because:

- ☐ You have already been told about an overissuance of food stamps and you are getting less food stamps because the County has been reducing your monthly allotment by 10% or \$10 (whichever is more) to pay back the food stamps that you got and should not have. It has been decided in court or by a state hearing or because you signed a Disqualification Consent Agreement or an Administrative Disqualification Hearing Waiver that this overissuance is an Intentional Program Violation (IPV). Now your monthly allotment is being changed because the County can begin reducing your allotment by 20% or \$10 (whichever is more). If there are any other changes to your monthly food stamp allotment, this form will tell you.

☐ **PROPOSED CHANGE IN BENEFITS**

Effective _____, your food stamp benefits may be reduced or terminated because information needed to determine your continued eligibility or the correct amount of your benefits was not received with your Quarterly Eligibility Status Report (QR 7). We must receive the following information by no later than the first day of next month:

If verification of an expense is requested and you do not provide it, the expense will not be allowed when computing next quarter's benefits. Also, if you do not provide other requested information, your benefits may be reduced or terminated.

Rules: These rules apply to the above action(s):
You may review them at your welfare office.

☐ **NO CHANGE IN BENEFITS**

Your food stamp benefits in this quarter did not change as a result of the document(s) /information we received because:

Any changes you voluntarily reported must be reported again on your next Quarterly Report (QR 7), along with proof of the change.

☐ **TERMINATION**

Effective _____, your food stamp benefits are terminated because:

- ☐ Based on the reason your benefits are terminated, your household is also disqualified from participating in the Food Stamp Program until _____. You may reapply for benefits at the end of this disqualification period.

☐ **COMMENTS**

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- Your Child Care Services may stay the same while you wait for a hearing.
- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.

If the hearing decision says we are right, you will owe us for any extra Cash Aid, Food Stamps or Child Care Services you got.

To let us lower or stop your benefits before the hearing, check below:

Yes, lower or stop: ☐ Cash Aid ☐ Food Stamps ☐ Child Care

While You Wait for a Hearing Decision for:

Welfare to Work:

You do not have to take part in the activities.

You may receive child care payments for employment and for activities approved by the county before this notice.

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- Send or take this page to:

OR

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HEARING REQUEST

I want a hearing due to an action by the Welfare Department of _____ County about my:

☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal

☐ Other (list) _____

Here's Why: _____

☐ If you need more space, check here and add a page.

☐ I need the state to provide me with an interpreter at no cost to me. (A relative or friend cannot interpret for you at the hearing.)

My language or dialect is: _____

NAME OF PERSON WHOSE BENEFITS WERE DENIED, CHANGED OR STOPPED

BIRTH DATE _____ PHONE NUMBER _____

STREET ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

SIGNATURE _____ DATE _____

NAME OF PERSON COMPLETING THIS FORM _____ PHONE NUMBER _____

☐ I want the person named below to represent me at this hearing. I give my permission for this person to see my records or go to the hearing for me. (This person can be a friend or relative but cannot interpret for you.)

NAME _____ PHONE NUMBER _____

STREET ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

FOOD STAMP MID-QUARTER STATUS REPORT**INSTRUCTIONS:**

Use this form to report ABAWD and/or address changes that have occurred since your last Quarterly Report (QR 7).

Use this form to report changes you think will increase your food stamp benefits, please provide proof, such as, pay stubs; copies of checks; letters from agencies, etc.

If you are reporting changes in expenses, please provide proof, such as, receipts; canceled checks, paid invoices; etc.

Worker: _____

Phone: _____

MANDATORY ABAWD INFORMATION

Answer for any Able-Bodied Adult without Dependents (ABAWD) in your household:

The number of hours worked or in training dropped from 20 hours a week or 80 hours a month to _____ hours a week or _____ hours a month.

In the week(s) of _____

In the month(s) of _____

Name of Person(s) _____ Relationship to You _____

Explain What Happened _____

CHANGE OF ADDRESS

NEW HOME ADDRESS (NUMBER, STREET NAME, AVENUE, BLVD, ETC.) _____ CITY _____ STATE _____ ZIP CODE _____ NEW PHONE _____

DATE MOVED _____ NEW MAILING ADDRESS (IF DIFFERENT FROM HOME ADDRESS) _____ CITY _____ STATE _____ ZIP CODE _____

ARE YOU GETTING FREE RENT AT THE NEW ADDRESS YOU HAVE LISTED?

☐ YES ☐ NO, IF NO, AMOUNT OF RENT \$ _____

ARE YOU GETTING FREE UTILITIES AT THE NEW ADDRESS YOU HAVE LISTED?

☐ YES ☐ NO, IF NO, AMOUNT OF UTILITIES \$ _____

VOLUNTARY INFORMATION (All household/s Assistance Units)

I would like to report the following information: _____

CERTIFICATION

I UNDERSTAND THAT: If on purpose I do not report all facts or give wrong facts about my income, property, or family status to get or keep getting aid or benefits, I can be legally prosecuted. And, I may be charged with committing a felony if more than \$400 in food stamp benefits is wrongly paid out.

I declare under penalty of perjury under the laws of the United States and the State of California that the facts contained in this report are true and correct and complete.

WHO MUST SIGN BELOW:

Head of household, household member or the household's authorized representative.

Signature or Mark	Date Signed	Home Phone	Contact Phone
Signature of Spouse or other Parent of Cash Aided Children, Adult Household Member or Authorized Representative	Date Signed	Signature of Witness to Mark, interpreter or other person completing form	Date Signed



RIGHTS, RESPONSIBILITIES AND OTHER IMPORTANT INFORMATION

For the Cash Aid and Food Stamp Programs, and/or Medi-Cal/State-Run County Medical Services Program (CMSP)

These pages give you your rights and responsibilities and other important information. The county needs your facts to see if you are eligible for cash aid, food stamps, and/or Medi-Cal/State CMSP and to figure how much you will get if you are eligible. If you need more information or have questions, ask your worker.

Cash Aid includes California Work Opportunity and Responsibility to Kids (CalWORKs) and Refugee Cash Assistance (RCA).

Medi-Cal/State CMSP includes Full Medi-Cal/State CMSP benefits and Restricted Medi-Cal/CMSP emergency and pregnancy related care only.

YOUR RIGHTS

1. To be treated equally without regard to race, color, national origin, religion, political affiliation, marital status, sex, disability, or age. You may file a complaint of discrimination if you feel you have been discriminated against by first speaking with your county's designated civil rights representative or by writing to the

State Civil Rights Bureau
744 P Street, MS 15-70
P.O. Box 944243
Sacramento, CA 94244-2430

or by calling toll free 1-866-741-6241 or for the hearing impaired TDD 1-800-688-4486.

2. To get help applying for or continuing to receive cash aid, benefits and services if you have a disability. If you need help because of a disability, tell the county.
3. To ask for help to complete your application for any other cash aid, food stamp, or Medi-Cal/State CMSP form.
4. To ask for an interpreter and to have forms and notices translated if you don't speak or read English.
5. To be treated with courtesy, consideration and respect.
6. To be interviewed promptly by the county when you apply and to have your eligibility determined within 45 days for cash aid and Medi-Cal/State CMSP (or 90 days for Medi-Cal if a determination of disability is required) and within 30 days for food stamps.
7. To discuss your case with the county and to review your case yourself when you request to do so.
8. To be told the rules for getting cash aid right away. If we think you might be eligible, you will get an interview within one day.
9. To be told the rules for getting food stamps right away. If we think you might be eligible to get them right away, you will get an interview immediately and get food stamps within three days.
10. To get Medi-Cal/State CMSP as soon as possible if you have a medical emergency or are pregnant, if eligible.
11. To continue getting cash aid and Medi-Cal benefits without a break if you move from one county to another if you stay eligible.
12. To be told the rules for retroactive Medi-Cal/State CMSP eligibility.
13. To lower any current Share of Cost you may have by giving the county past unpaid medical bills you still owe, when you apply for Medi-Cal/State CMSP.
14. To choose prepaid health plan (PHP), fee-for-service coverage (if available), Health Maintenance Organization (HMO), or Medi-Cal when eligible for Medi-Cal/State CMSP.
15. To ask to have your Food Stamp I.D. or Medi-Cal Benefits Identification Card (BIC), Food Stamp authorization document or issuance card, or Food Stamp coupons replaced if lost in the mail, damaged, or destroyed. The county will tell you if you are eligible. Your BIC may also be replaced if lost or stolen.
16. To ask for extra money if your income drops or stops (cash aid only).
17. To ask for payments for clothing, housing or essential household items which are lost, damaged or otherwise unavailable due to sudden and unusual circumstances (cash aid only).
18. To ask for payments for ongoing special needs like a special diet, transportation for ongoing medical care, special laundry service, telephone for the hard of hearing, high utility bills, etc. (cash aid only).
19. To be notified in writing when your application is approved, denied, or when your benefits change or stop.
20. To have your records kept confidential by the county and state, unless you are getting cash aid or food stamps and there is a felony arrest warrant issued for you, or as otherwise provided by law.
21. To talk with someone from the county or file a formal complaint with the state if you don't agree with an action taken by the county. You may call toll-free at 1-800-952-5253 or for the hearing impaired, TDD 1-800-952-8349.
22. To ask for a State Hearing within 90 days of the county's action for cash aid, food stamps, Medi-Cal, and, if you think you are/were not getting the right State CMSP services.
23. To ask for a State Hearing, you can write to your county or call the State toll-free telephone numbers listed in Item 21 above.
24. To appeal all State CMSP eligibility issues, you can **only write** to your county.
25. To be represented at a State hearing by yourself, a household member, friend, attorney, or other person of your choice. NOTE: You may get free legal help at your local legal aid office or welfare rights group.

YOUR RESPONSIBILITIES

Citizenship/Immigration Status

To sign under penalty of perjury that each member applying for cash aid and food stamps is a U.S. citizen, U.S. national or has lawful immigration status. Information you give us on immigration status will be checked with the U.S. Immigration and Naturalization Service (INS). Information we get from INS may affect your eligibility. (Manual of Policies and Procedures Section 42-433).

If you want Medi-Cal/State CMSP, you must provide a declaration of citizenship/immigration status under penalty of perjury. If you say you are a noncitizen with lawful permanent residence (LPR) in the U.S., an amnesty alien with a valid and current I-688 or a noncitizen permanently residing under color of law (PRUCOL), your immigration status will be checked with the U.S. Immigration and Naturalization Service (INS). The information the INS receives to verify the immigration status of the applicant can only be used to determine Medi-Cal/State CMSP eligibility, and cannot be used for immigration enforcement unless you are committing fraud.

Fingerprint/Photo Imaging

All eligible adult household members for cash aid and/or food stamps must be fingerprint/photo imaged. If anyone who is required to cooperate with these rules does not get fingerprint/photo imaged, no benefits will be issued to the entire household. (Manual of Policies and Procedures Section 40-105.3).

The fingerprint/photo images are confidential and can only be used to prevent or prosecute welfare fraud.

Social Security Number (SSN) Rules

The SSNs will be used in a computer match to check income and resources with records from tax, welfare, employment, the Social Security Administration and other agencies. Differences may be checked out with employers, banks or others. Making false statements or failing to report all facts or situations which affect eligibility and aid payments for cash aid, food stamp and Medi-Cal/State CMSP may result in repayment of benefits and/or criminal or civil action.

Cash Aid and Food Stamps: You must give us the SSN for each applicant or recipient of cash aid and/or food stamps. If you refuse to give us either a SSN or proof of application for a SSN, you will not be able to get cash aid or food stamps. For cash aid, you must give proof of application for a SSN within 30 days of application for cash aid and give the SSN to the county when you get it. (Manual of Policies and Procedures Section 40-105.2).

Each applicant for Medi-Cal/State CMSP, who says he/she is a U.S. citizen, a U.S. national, LPR in the U.S., an amnesty alien with a valid and current I-688, or PRUCOL, will be disqualified from getting Medi-Cal if he/she refuses to give either a SSN or proof of application for a SSN. Any noncitizen who does not have a SSN and who is not an amnesty alien with a valid and current I-688 or a LPR or PRUCOL, can still get restricted Medi-Cal/State CMSP if he/she meets all eligibility rules, including California residency.

Verification(s)

To give proof to support your eligibility. If you can't get proof, you will need to give the name of some other person or agency we may contact to get the proof. We will help you get proof when you can't get it. (Manual of Policies and Procedures Sections 40-105.1; 40-157.212; 40-157.213)

Cooperation

To cooperate with county, state and federal staff. For cash aid, a county worker can come to your home at an arranged time to check out your facts, including seeing each family member. You may not get benefits or your benefits may be stopped if you don't cooperate.

CASH AID AND MEDI-CAL

To apply for any benefits or income anyone is eligible to get, such as: Unemployment (UIB) or Disability benefits, Veterans benefits, Social Security or Medicare, etc.

Child/Spousal and Medical Support

To cooperate with the county and the Local Child Support Agency to:

- identify and locate any absent parent in your case;
- tell the county or the Local Child Support Agency anytime you get information about the absent parent, such as place of residence or work location;
- determine the paternity of any child in your case when needed;
- obtain medical support money from any absent parent and, if you get cash aid, obtain child support money;
- give the Local Child Support Agency any medical support money and, any child/spousal support money you get;
- tell the county about medical coverage or money for medical services paid by the absent parent.

Your cash aid will be lowered if you don't cooperate. (Manual of Policies and Procedures Sections 40-157.212; 40-157.213).

MEDI-CAL

Benefits Identification Card (BIC)

- To sign your BIC when you get it and to use it only to get necessary health care services.
- **To never throw your BIC away** (unless we give you a new BIC). You need to keep your BIC even if you stop getting Medi-Cal. You can use the same BIC if you get cash aid or Medi-Cal again.
- To take the BIC to your medical provider when you or a family member is sick or has an appointment.
- To take the BIC to the medical provider who treated you or your family member(s) in an emergency situation as soon as possible after the emergency.

Health Care Coverage/Insurance

- To tell the county and any health care provider of any health care coverage/insurance you or a family member have.
- To retain any health insurance available to you and your family at no or reasonable cost.
- To use any prepaid health plans, health maintenance organization or health care insurance plans you have before using Medi-Cal/State CMSP, unless the plan does not offer the medical service needed. You need to use them because Medi-Cal will not pay for any service paid for and/or provided by these medical insurance plans.
- To enroll and stay enrolled in an employment-related group health plan when Medi-Cal approves payment of plan premiums by the State of California.

YOUR REPORTING RESPONSIBILITIES

You must report certain information to the county. If you're not sure how to report, what to report, or what proof we need, ask your worker. If you get food stamps, your worker will tell you if you are a quarterly or change reporting household. If you get Medi-Cal/State CMSP, the county will tell you when you must report. (Manual of Policies and Procedures Section 40-181).

HOW YOU MUST REPORT

For Cash Aid and Food Stamp Quarterly Reporting, you must turn in a Quarterly Eligibility Report (QR 7) by the fifth day of the month following your report months and report all required changes to the County within 10 days.

For Food Stamp Change Reporting, you must report all changes within 10 days:

- by mail, telephone, or in person at the County Food Stamp office; OR
- on a DFA 377.5, Food Stamp Household Change Report

For Medi-Cal, you must report all changes within 10 days AND turn in a complete Status Report by the 5th of the month when the county sends or gives it to you.

WHEN YOU MUST REPORT

For Cash Aid and Food Stamp Quarterly Reporting

Quarterly reporting rules say that you must report things at certain times. You will be assigned a "report month" for each quarter (three month period). This will be the second month of each quarter. For example, if your quarter is January, February and March, February would be your "report month" and your report would be due by the 5th day of March. The report is always due by the 5th day of the month following your "report month" and will be considered late if not received by the 11th day of the month. If your Quarterly Eligibility Report (QR 7) is late you will have to pay back any Cash Aid or Food Stamps that you were not supposed to get. You will have to report gross income, changes in the number of people in your household, property bought or sold by people in your household and other information for that report month as well as any changes in your gross income that you expect to happen in the next quarter. If you do not turn in a completed Quarterly Eligibility Report (QR 7) by the end of the first working day of the month after the month your report is due, your household's benefits will be stopped.

What you must report on the Quarterly Report:

1. **Earned Income:** All gross earned income received by you or anyone in your household in the report month. This includes wages; tips; vacation pay; cash bonuses; money from self employment or from a training program; also any income in kind in exchange for work, such as free rent, clothing or food.

2. **Unearned or Disability Based Income:** All other income received by you or anyone in your household in the report month. This includes Child/spousal support; interest or dividends; gambling/lottery winnings; insurance or legal settlements; strike benefits; cash, gifts, loans scholarships; tax refunds; any government benefits, like Social Security, Supplemental Security Income/State Supplementary Payment (SSI/SSP), unemployment, worker's compensation, state disability indemnity, veterans or railroad retirement, or other private or government disability or retirement; rental income and rental assistance; free housing/utilities/clothing/food; or any other type of money received.
3. You must also report on your Quarterly Report any changes in income that you expect to happen during the next quarter. This includes earned, unearned and disability based income changes.
4. **Property:** Any property including, motor vehicles; bank accounts; savings bonds; insurance policies; a home or land; trust; EBT cash balance, etc. that you or anyone in your household has received since your last Quarterly Report and still has, whether it was bought, obtained through a trade or as a gift. The county will use this information to determine if your household exceeds the property limit. You must also report if you or anyone sold, traded or gave away any property since your last Quarterly Report.
5. **If You Move or Someone Moves Into or Out of Your Home:** Anyone (including newborns) who moved into your home since your last Quarterly Report and is still there. You must also report anyone who moved out of your home or who has died since your last Quarterly Report.
6. **Convicted Drug Felons, Fleeing Felons and Probation/ Parole Violators:** The name of anyone in your household who is either avoiding or running from the law to avoid a felony prosecution, custody or confinement after conviction, or in violation of probation or parole. You must also report anyone in your household who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s). For Food Stamps list felonies since August 22, 1996, and for Cash Aid list convictions that happened after January 1, 1998.
7. **Reduced Hours of Work:** If you are an Able-Bodied Adult Without Dependents (ABAWD), you must report when your hours of work drop below 20 hours a week or 80 hours a month. You must also report if you expect your work hours to drop below these limits during the next three months.

For Medi-Cal/State CMSP, you must report when:

1. Anyone enters or leaves a nursing home or long term care facility.
2. Anyone applies for disability benefits, such as SSI/SSP, Social Security, Veterans, or Railroad Retirement.
3. Anyone gets health care services that result from an accident or injury due to someone else's action or failure to act.

YOUR REPORTING RESPONSIBILITIES (CONTINUED)

For Non-Assistance Food Stamps Quarterly Reporting

If you only get Food Stamps you must report when:

1. Anyone in the household moves to another address, plans to move or gets a new mailing address.
2. Anyone who is an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours a month.

For CalWORKs you must report certain changes at other times:

In certain circumstances you will be required to report things (within ten days of the change) even if it is not your "report month" such as:

1. Anytime that your family's combined gross income (both earned and unearned) is more than the Income Reporting Threshold (IRT) for a family of your size. Your county worker will tell you the IRT limit for a family of your size. If your family only gets unearned income or only gets Food Stamps, you will only be required to report income on your Quarterly Eligibility Report (QR 7).
2. Anytime that someone in your household is convicted of a drug related felony, becomes a fleeing felon or is in violation of probation or parole.
3. Anytime you move you must report your address change so that the County will know where to send your benefits, Quarterly Report forms and notices.

Reporting information voluntarily for CalWORKs and Food Stamps Quarterly Reporting:

You may also report other information voluntarily even when it is not your "report month." Reporting information voluntarily may cause your household's benefits to go up. If the information reported causes your benefits to go up, the county will take action within ten days after you provide verification. One exception is when the increase results from adding another person to your case. In that situation, the County will take action to increase benefits the first of the month after you provide verification. Even if you have already reported something to the County, you must also report it on your next Quarterly Report (QR 7).

Some examples of voluntary reporting that may cause your benefits to go up include:

- Your income stops or drops.
- Someone who has little or no income moves into your home (including a newborn).
- Someone who has income moves out of your home.
- You believe that you or someone in your household is eligible for a CalWORKs Special Needs payment, such as pregnancy special needs or a qualifying special diet.

Additional examples for Food Stamps only:

- A household member begins to pay court ordered child support for a child not living in the home.
- A household member is 60 or older.
- Any member who is disabled or 60 years of age or older has changes in or new medical expenses (if verified your Food Stamps can be refigured).

Reporting voluntary changes will never cause your benefits to go down in the quarter they are reported. When you report changes to the County voluntarily or in between Quarterly Reports, you must also report the change on your next QR 7. If the change you report will cause any of your benefits to go down, it will happen in the new quarter.

At anytime you can ask the County to discontinue your entire case or any individual person who has left the home or is not required to be in the assistance unit. You can also ask the County to discontinue certain benefits, such as: Medi-Cal or Food Stamps. Receiving Medi-Cal/or Food Stamps only will not count against your Cash Aid time limits.

Other changes for quarterly reporting:

There are other changes that will cause the County to decrease or discontinue your benefits during the quarter in which they happen. Here are some examples:

- An adult in the household reaches the CalWORKs 60-month time limit;
- A household member is sanctioned/penalized;
- A child reaches the age of 18 (and will not graduate from high school before the age of 19);
- Someone in your household begins receiving benefits in another household;
- An eligible child is placed in Foster Care;
- Anyone who is an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours a month.

FOOD STAMP CHANGE REPORTING

For Food Stamp Change Reporting, you must report when:

1. Your total monthly income starts, stops, or changes by more than \$25.
2. Anyone's source of income changes.
3. Anyone moves into or out of your home.
4. Anyone joins or leaves your household.
5. You move or you get a new address.
6. Your rent and utility costs **only** if you move.
7. Anyone buys, gets, sells, or gives away a licensed motor vehicle.
8. The total of your household's stocks, bonds, or other money is or is more than \$2000 (or \$3000 if you have a household member who is age 60 or older).
9. If there is a change in the amount of any court ordered child support paid by a member of the household for a child not living in the home.
10. Anyone who is an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours a month.
11. Any member of your household is avoiding or running from the law to avoid any felony prosecution, custody or confinement after conviction, or is in violation of probation or parole.
12. Any member of your household has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s) that took place after August 22, 1996.

For Food Stamp Change Reporting, you may report when:

1. Anyone's physical or mental illness begins or ends.
2. Anyone's citizenship/immigration status changes or anyone gets a letter, form or new card from the INS.
3. You have changes in your dependent care costs.
4. Any member who is disabled or age 60 or older has changes in or new medical expenses. If verified, your allotment can be refigured.
5. Any household member starts to pay court ordered child support for a child not living in the home.

YOUR REPORTING RESPONSIBILITIES (CONTINUED)

IMPORTANT INFORMATION CASH AID ONLY

Unemployed Parent

If you are applying for cash aid as an unemployed parent, the principal earner (PE) must:

- be unemployed and not have worked in the preceding 4 weeks
- apply for and accept any unemployment insurance you are eligible to receive

The PE is the parent who has the most earnings in the past 24 months.

Homeless Assistance

You may be eligible for money to help pay for temporary shelter or permanent housing. This is a once-in-a-lifetime payment unless you meet an exemption. If you have already received homeless assistance and need it again, your worker will tell you if you are eligible.

School Attendance and Immunizations

You must provide proof when requested by the county that:

- all school-age children are attending school, and
- children under the age of 6 have received age appropriate immunizations. (Manual of Policies and Procedures Sections 40-105.4; 40-105.5).

Maximum Aid Payment (MAP)

There are two levels of Maximum Aid Payment (MAP). Most families getting cash aid get the lower MAP level. Families may get the higher MAP level if each parent or caretaker in the Assistance Unit (AU):

- is disabled and getting Supplemental Security Income/ State Supplemental Payments (SSI/SSP), or In-Home Supportive Services (IHSS), or State Disability Insurance (SDI), or Temporary Workers Compensation (TWC), or Temporary Disability Indemnity (TDI) benefits
- is caring for an aided child(ren) who is not their child and the caretaker does not get cash aid.

Also eligible for the higher MAP:

- a family who gets Refugee Cash Assistance (RCA) if each adult meets an exception.

If all the adults in the household meet at least one of these exemptions, ask your worker about applying for an exemption.

Treatment of Self-Employment

If you are self-employed, you will have a choice of figuring your business expenses based on a standard deduction of 40 percent of gross income or using actual business expenses. Once you choose a method of figuring your self-employed net income, you can only change that way of figuring expenses at redetermination or every six months whichever happens sooner.

Maximum Family Grant (MFG) Rule

The MFG rule applies to any child born after August 31, 1997. The MFG rule says that your maximum aid payment (MAP) will not go up to include a child born to your family, if your family got cash aid for the 10 months in a row right before the child's birth. There are exemptions to the rule. Your worker will give you a copy of the MFG rules and answer your questions. Then you will sign a copy that says you understand the rules.

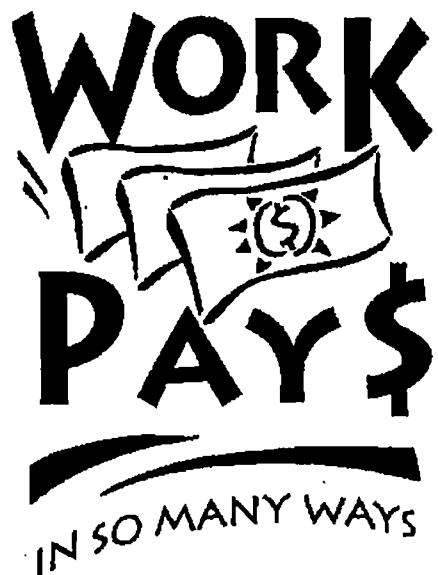
Proof of Facts

If you ask for cash aid within one year of the date it stopped, the county must look at your prior case file to see if it already has the proof needed to determine your eligibility when:

- you cannot get the proof, or
- there is a cost to you to get the proof, or
- processing your application would be delayed because it would take too long for you to get the proof.

If you ask for cash aid within one year of the date it stopped AND, if the county doesn't have the proof it needs, then you will have to provide proof.

If you have new changes since you last got cash aid, the county will need new proof.



Here's how **Work Pays**:

- Gives you more \$\$\$\$ to help support your family
- Builds a better life for you and your family
- Develops job skills
- Builds self-esteem
- Gives you personal satisfaction

You can work and still get cash aid:

- ✓ In most cases, when you work, your gross earnings (earnings before deductions) are not subtracted dollar for dollar from your cash aid payment. You may be eligible for **work related deductions**. When you add it up, you have more \$\$\$\$ for your family.
- ✓ When you have a **grant-based on the job training (OJT)** assignment, all or part of your cash aid payment is used by your employer to help pay your wages. You do not get work related deductions for grant based OJT wages.
- ✓ Either way, you may be eligible for child care costs that are paid to your provider.

See page 7 for facts about work and training rules, work incentives, including child care programs. Ask your worker for more facts about **Work Pays** and how **grant-based OJT** can work for you.

Remember, you can work and still get cash aid as long as you stay eligible and meet reporting rules in a timely manner.

Work and Training Rules

Your worker will tell you what cash aid and/or food stamp work rules you need to follow before and after your application is approved. You may be required to be in work, training or education activities to keep getting your cash aid, food stamps, or both. More than one member of a household can be required to follow cash aid and/or food stamp work rules. If anyone becomes ineligible for not following work or training rules, other members of their household can still get cash aid or food stamps, as long as they remain eligible. But, the amount of cash aid or food stamps they get may change.

Cash Aid Work Rules

If you get cash aid and food stamps or just get cash aid, you will need to take part in certain Welfare-to-Work activities to keep getting your cash aid and food stamps. The county will tell you how many hours a week you must take part in these activities or if you are excused from these rules. Welfare-to-Work activities include, but are not limited to, subsidized or unsubsidized work, work experience, community service, adult basic education, vocational training, and job search. Subsidized means that the county or some other funding source pays your employer for part of your wages.

Community Service Activities

After getting cash aid for a certain number of months, you must have a job with a minimum number of hours per week. If you don't, you can only keep getting cash aid if you take part in community service activities. The county will tell you what time limit applies to you and when your time limit starts. There are exceptions to this time limit and the limit does not apply to children.

The cash aid work rules also say you must:

- Sign a Welfare-to-Work plan;
- Take a suitable job that is offered to you;
- Not quit a job or reduce your earnings.

Penalties for Not Meeting Cash Aid Work Rules

The first time you don't meet cash aid work rules for a good reason, your cash aid will be stopped until you do what you should do. For the second violation, it will be stopped for at least three months and for the third or additional violation, it will be stopped for at least six months. If your cash aid is stopped, your food stamps may also be stopped or reduced. After your cash aid and food stamps are stopped or reduced, you can only get them back again if you meet the work rules that you had stopped meeting or you become excused.

Food Stamp Work Rules for Persons Not Receiving Cash Aid

If you only get food stamps, you may need to take part in certain employment and training activities to keep getting your food stamps. These activities include job search, workfare, adult basic education, and vocational training. The county will tell you how many hours a week you must take part in these activities or if you are excused from these rules.

The food stamp work rules also say you must:

- Answer questions about your job experience and ability to work;
- Check on a possible job we tell you about and take a suitable job that is offered to you;
- Not quit a job or reduce the number of hours you work to less than 30 hours per week.

Food Stamp Only Penalties

If you don't meet food stamp work rules and you don't have a good reason, your food stamps will be denied or stopped for at least one, three, or six months, depending on the number of times you stop meeting the rules. After your food stamps are stopped, you can only get them again if you meet the work rules that you failed to meet or you become excused.

Work Requirement for Able-Bodied Adults Not Receiving Cash Aid

If you only receive food stamps and you don't have minor children, there is another work rule which you also may need to meet. You do not have to meet this work rule if you are under age 18, over age 49, pregnant, or you are part of a food stamp household with a minor child. You may be excused for other reasons that your county worker can explain. The work rule says that if you are an able-bodied adult, you must work at least 20 hours a week or 80 hours a month in paid employment, take part in a workfare project for the required number of hours, or take part in an approved training activity for at least 20 hours per week or 80 hours per month. During a period of 36 months, food stamps will stop if there are three months in which you do not meet the work rule. If you stop meeting the work rule a second time for reasons such as being laid off, you may be able to get food stamps for three months in a row without having to meet the rule. After that you can only get food stamps if you meet the work rule or get excused.

Income Disregards

When you have income and are on cash aid, there are two income disregards (deductions) that may be subtracted from certain types of family income. When you or any of your family members receive certain types of disability-based unearned income or you are working and getting cash aid, you are eligible for an income disregard of \$225. The \$225 is first deducted from certain disability-based unearned income. Any remainder of the \$225 is then deducted from earned income. If there is a remainder of earned income, 50 percent of that remaining earned income will be disregarded.

Treatment of Self-Employment

If you are self-employed, you will have a choice of figuring your business expenses based on a standard deduction of 40 percent of gross income or using actual business expenses. Once you choose a method of figuring your self-employed net income, you can only change that way of figuring expenses at redetermination or every six months whichever happens sooner.

CalWORKs Child Care Program

Child care benefits are available to recipients who need child care to work or participate in county-approved welfare-to-work activities such as attending education or job training programs.

California Department of Education (CDE) Child Care

Child care benefits are also available from CDE. Contact your local Resource and Referral Agency for more information.

Transitional Medi-Cal (TMC)

You may get Medi-Cal for up to 24 months if you go off cash aid because you are working. Your family must have gotten cash aid for at least three of the last six months before cash aid stopped. To get more than six months of TMC, your income must be under certain limits and you must meet TMC reporting rules.

OTHER IMPORTANT INFORMATION

CASH AID AND FOOD STAMP QUARTERLY REPORTING HOUSEHOLDS Budgeting Rules

The amount of cash aid and/or food stamps you can get depends on your income and allowable expenses. You will get a Quarterly Eligibility Report (QR 7) to fill out every three months. On the QR 7, you will need to report what income and expenses you had in the last month and what income and expenses you think you will have in the three months after you turn in your report. The income and expenses you expect to have in the next three months will be used to figure the amount of cash aid and/or food stamps you can get for those three months. Information that you put on the QR 7 about the past month will be used for the next three months if you don't expect your income or expenses to change.

For example, if you turn in a QR 7 in March, you will report what income you had in February. You will also report any income changes you expect to have in April, May and June. If the income from February will stay the same, your cash aid and/or food stamps for April, May, and June will be figured using that same income and expenses for each of those months. If your income and expenses will change, your worker will use the new income amounts you think you'll get in April, May, and June to figure your cash aid and/or food stamp amount for those months. This method is called prospective budgeting.

Property Limit

There is a \$2000.00 limit on the amount of property (e.g., bank accounts, stocks, etc.) that your household can have and still get cash aid or food stamps. If someone in your household is at least 60 years old, the limit goes up to \$3000.00. Your house and furniture are not part of the total limit as long as you live in your home. The individual vehicle value limit is \$4650. If your registered vehicle is worth more than \$4650, anything over the limit will be used as part of the total property limit unless the vehicle is needed by the household for certain reasons. Ask your worker what the reasons are. Any vehicle you have, that cannot be sold for more than \$1500, will not be used as part of the total property limit to determine eligibility. Your worker can tell you how to figure the value of any unregistered vehicles.

CASH AID ONLY

60-Month Time Limit

As of January 1, 1998, a parent or caretaker relative is not eligible for cash aid when he/she has received cash aid for a total of 60 months. All aid received through CalWORKS (California Work Opportunity and Responsibility to Kids) and/or cash aid received from any other state counts toward the 60-month total. Only cash aid received on or after January 1, 1998, counts toward the 60-month total. There are exceptions to this time limit and the limit does not apply to children.

Resources/Electronic Benefits Transfer (EBT)

Any balance remaining in the EBT account at the end of the month will be considered an available resource and could make your household ineligible for cash aid if your total countable resources are more than the allowable resource limits.

Transfer of Assets Rule

Recipients can sell, exchange or change the form of their property holdings, if they get fair market value for the property (asset). If they do not get fair market value for the asset, the family will get a period of ineligibility. The period of ineligibility is figured by subtracting the amount received from the fair market value of the asset and then dividing that amount by the need standard for the family. The amount is rounded down to the next lower whole number.

Cal-Learn

Cal-Learn helps pregnant and/or parenting teens under the age of 20, who are getting cash aid and do not have a high school diploma or its equivalent to stay in or return to school. Teens in the Cal-Learn Program may get cash bonuses for good grades and graduation from high school. Cal-Learn teens may get help with child care, transportation, and other services. Cash penalties may be subtracted from their family's cash aid payment for not going to school or for getting poor grades.

FOOD STAMP ONLY Standard Utility Allowance (SUA)

- If you are billed for heating and/or cooling costs that are not included in your rent or mortgage payment, you may be eligible for the **Standard Utility Allowance (SUA)**. The SUA is one deduction for **all** of your eligible utility costs. If your utility bills are more than the SUA, you may switch between actual and the SUA at recertification. If you have other utility costs but your heating or cooling costs are included in your rent, your benefits will be figured on your actual utility costs. Ask the county to see if you are eligible for the SUA.
- You may still get food stamps even if your cash aid is denied, changed or stopped. You will get another notice about your food stamps if there is any change.

MEDI-CAL/STATE CMSP ONLY Spending Down Excess Property

- If you get or apply for Medi-Cal/State CMSP Only and you have more property than the rules allow, you may lower it by the last day of any month, including the month of application. For Medi-Cal you may spend your excess property in any manner you want. But you may not be eligible for nursing facility level of care for a period of time if you sell or give away any property for less than its worth, and you apply for or receive Medi-Cal nursing facility level of care within 30 months of the transfer.
- You may not be eligible for State CMSP if you sell or give away any property for less than it is worth.

Resources And Property

- All Medi-Cal benefits received after age 55 are subject to recovery from a deceased Medi-Cal recipient's estate. However, recovery may not exceed the value of the estate. Recovery may not occur if the beneficiary is survived by a spouse. The state may not claim the proportionate share of an estate left to a minor child or a totally disabled adult child. In addition if recovery would cause an undue hardship for any other heirs and that hardship can be demonstrated, recovery may be waived in full or in part.
- If you are institutionalized and your home or former home is not exempt, the State may record a lien against your property to repay the cost of medical care covered by Medi-Cal.

AVAILABLE SERVICES

Women, Infants and Children (WIC) Supplemental Nutrition Program: The WIC Program is only for pregnant and breast feeding women, infants and children under age 5, who are at medical-nutritional risk. For more facts about WIC, call your local county health department or the phone number for "WIC" in the telephone book.

Voter Registration: If you want to register to vote, ask your worker to send you a registration form. If you need help filling it out, ask your worker. You can mail the form yourself. Your eligibility for aid will not be affected whether or not you register. Your worker will not tell you how to vote.

PENALTY WARNINGS

If on purpose you don't report all facts or give wrong facts to get or keep getting benefits, you can be legally prosecuted, and can be charged with committing a felony if more than \$400 is wrongly paid out for cash aid, food stamps, or Medi-Cal because you did not report all of your facts or changes in income, property, or family status. And you can be disqualified from getting cash aid or food stamps.

Disqualification Penalties

Cash Aid and Food Stamps

Disqualification penalties start after a state hearing or court of law finds that the individual has committed an Intentional Program Violation (IPV). Also, anyone who is accused of committing an IPV may agree to be disqualified by signing an Administrative Disqualification Consent Agreement or an Disqualification Hearing Waiver. Anyone who signs one of these documents gives up any hearing rights and accepts responsibility to repay any cash aid overpayment and/or food stamp overissuance.

Cash Aid Penalties

If you do not follow cash aid rules, you may be fined up to \$10,000 and/or sent to jail/prison for 5 years.

And if you are found guilty by court of law or an administrative hearing of committing certain types of fraud, your cash aid can be stopped for 6 months, 12 months, 2 years, 4 years, 5 years or forever.

Food Stamp Only

If your household receives food stamps, it must follow these rules:

- Don't give wrong or incomplete facts to get or keep getting food stamps.
- Don't trade or sell food stamps, Authorization Documents (ADs), or issuance cards.
- Don't alter ADs or issuance cards to get food stamps you are not entitled to get.
- Don't use food stamps to buy ineligible items such as alcoholic drinks or tobacco, paper, or cleaning products.
- Don't use someone else's food stamps, ADs, or issuance cards for your household.

Food Stamps Penalties

If you do not follow food stamp rules, your food stamps can be stopped for 12 months for the first violation, 24 months for the second, and forever for the third. And you may be fined up to \$250,000 and/or sent to jail/prison for 20 years. If you are found guilty in any court of law or administrative hearing because:

- you traded or sold food stamps for firearms, ammunition, or explosives, your food stamps can be stopped forever for the first violation;
- you traded or sold food stamps for controlled substance, your food stamps can be stopped for 24 months for the first violation and forever for the second;
- you traded or sold food stamps that were worth \$500 or more, your food stamps can be stopped forever;
- you filed two or more applications for food stamps at the same time and gave the county false identity or residence information, your food stamps can be stopped for 10 years.

APPLICANT/RECIPIENT CERTIFICATION

- I understand my rights and responsibilities and agree to comply with my responsibilities.
- I also understand the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect my eligibility or benefit level for cash aid or food stamps, and/or my Medi-Cal/State CMSP share of cost.
- I certify I was given a copy of The Rights, Responsibilities, and Other Important Information (SAWS 2A QR).

- I also certify that, if I applied for or get cash aid, I got a copy of the following:

☐ Welfare to Work Informing Notice (WTW 5)

(APPLICANT/RECIPIENT'S INITIALS)

- I also certify that if I applied for Medi-Cal/State CMSP, I got a copy of the MC 219 and its contents were explained to me.

ELIGIBILITY WORKER'S CERTIFICATION

I certify that the applicant/recipient appears to understand:

- his/her rights and responsibilities and
- the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect his/her eligibility or benefit level for cash aid or food stamps, and/or share of cost for Medi-Cal/State CMSP

I also certify that the applicant/recipient was given a copy of:

- The Rights, Responsibilities, and Other Important Information (SAWS 2A QR)

- For cash aid:

☐ Welfare to Work Informing Notice (WTW 5)

- For Medi-Cal/State CMSP: the MC 219 and that its contents were explained to him/her.

Signature (Parent or Caretaker Relative, Food Stamp Household Member or Authorized Representative, Medi-Cal/State CMSP Applicant/Beneficiary)

Date

Signature (Other Parent Living in the Home)

Witness, if You Signed With An "X"

Date

Eligibility Worker's Signature

Eligibility Worker's Number

Date

PENALTY WARNINGS

If on purpose you don't report all facts or give wrong facts to get or keep getting benefits, you can be legally prosecuted, and can be charged with committing a felony if more than \$400 is wrongly paid out for cash aid, food stamps, or Medi-Cal because you did not report all of your facts or changes in income, property, or family status. And you can be disqualified from getting cash aid or food stamps.

Disqualification Penalties

Cash Aid and Food Stamps

Disqualification penalties start after a state hearing or court of law finds that the individual has committed an Intentional Program Violation (IPV). Also, anyone who is accused of committing an IPV may agree to be disqualified by signing an Administrative Disqualification Consent Agreement or an Disqualification Hearing Waiver. Anyone who signs one of these documents gives up any hearing rights and accepts responsibility to repay any cash aid overpayment and/or food stamp overissuance.

Cash Aid Penalties

If you do not follow cash aid rules, you may be fined up to \$10,000 and/or sent to jail/prison for 5 years.

And if you are found guilty by court of law or an administrative hearing of committing certain types of fraud, your cash aid can be stopped for 6 months, 12 months, 2 years, 4 years, 5 years or forever.

Food Stamp Only

If your household receives food stamps, it must follow these rules:

- Don't give wrong or incomplete facts to get or keep getting food stamps.
- Don't trade or sell food stamps, Authorization Documents (ADs), or issuance cards.
- Don't alter ADs or issuance cards to get food stamps you are not entitled to get.
- Don't use food stamps to buy ineligible items such as alcoholic drinks or tobacco, paper, or cleaning products.
- Don't use someone else's food stamps, ADs, or issuance cards for your household.

Food Stamps Penalties

If you do not follow food stamp rules, your food stamps can be stopped for 12 months for the first violation, 24 months for the second, and forever for the third. And you may be fined up to \$250,000 and/or sent to jail/prison for 20 years. If you are found guilty in any court of law or administrative hearing because:

- you traded or sold food stamps for firearms, ammunition, or explosives, your food stamps can be stopped forever for the first violation;
- you traded or sold food stamps for controlled substance, your food stamps can be stopped for 24 months for the first violation and forever for the second;
- you traded or sold food stamps that were worth \$500 or more, your food stamps can be stopped forever;
- you filed two or more applications for food stamps at the same time and gave the county false identity or residence information, your food stamps can be stopped for 10 years.

APPLICANT/RECIPIENT CERTIFICATION

- I understand my rights and responsibilities and agree to comply with my responsibilities.
- I also understand the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect my eligibility or benefit level for cash aid or food stamps, and/or my Medi-Cal/State CMSP share of cost.
- I certify I was given a copy of The Rights, Responsibilities, and Other Important Information (SAWS 2A QR).

- I also certify that, if I applied for or get cash aid, I got a copy of the following:

☐ Welfare to Work Informing Notice (WTW 5)

(APPLICANT/RECIPIENT'S INITIALS)

- I also certify that if I applied for Medi-Cal/State CMSP, I got a copy of the MC 219 and its contents were explained to me.

ELIGIBILITY WORKER'S CERTIFICATION

I certify that the applicant/recipient appears to understand:

- his/her rights and responsibilities and
- the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect his/her eligibility or benefit level for cash aid or food stamps, and/or share of cost for Medi-Cal/State CMSP

I also certify that the applicant/recipient was given a copy of:

- The Rights, Responsibilities, and Other Important Information (SAWS 2A QR)

- For cash aid:

☐ Welfare to Work Informing Notice (WTW 5)

- For Medi-Cal/State CMSP: the MC 219 and that its contents were explained to him/her.

Signature (Parent or Caretaker Relative, Food Stamp Household Member or Authorized Representative, Medi-Cal/State CMSP Applicant/Beneficiary)

Date

Signature (Other Parent Living in the Home)

Witness, if You Signed With An "X"

Date

Eligibility Worker's Signature

Eligibility Worker's Number

Date

IMPORTANT INFORMATION - PLEASE READ

NEW REPORTING REQUIREMENTS FOR CalWORKs AND FOOD STAMP RECIPIENTS

The State of California is changing the way you report things that affect your eligibility for Cash Aid and Food Stamps. Instead of reporting changes every month, you will now have to report most changes every three months.

You will be assigned a "report month" for each quarter (three months). This is the second month of each quarter. For example, if your quarter is January, February and March, February is your "report month" and your quarterly report is due by the 5th day of March.

FOR EXAMPLE:

If your quarter begins in	Your "Report Month" is	Your QR 7 is Due by the 5th of
January	February	March
April	May	June
July	August	September
October	November	December

The Quarterly Report (QR 7) is always due by the 5th day of the month following your "report month" and will be considered late if not received by the 11th day of the month. If your Quarterly Report (QR 7) is late, you may be overpaid. If you are overpaid, you will have to pay back any Cash Aid or Food Stamp benefits that you were not supposed to get.

For your report to be complete, you must answer all the questions, sign and date it after the last day of your report month and attach proof if the form asks for it. If you do not turn in a completed QR 7 by the end of the first working day of the month after your report is due, your household's Cash Aid and/or Food Stamps will be stopped.

What you must report on the Quarterly Report (QR 7):

Earned Income:

All gross income received in the report month by you or anyone in your household. This includes wages; tips; vacation pay; cash bonuses; money from self employment or from a training program; also any work done in exchange for free rent, clothing or food.

Unearned or Disability Based Income:

All other income received in the report month by you or anyone in your household. This includes child/spousal support; interest or dividends; gambling/lottery winnings; insurance or legal settlements; strike benefits; cash, gifts, loans, scholarships; tax refunds; any government benefits, like Social Security, Supplemental Security Income/State Supplementary Payment (SSI/SSP), unemployment, worker's compensation, state disability indemnity, veterans or railroad retirement, or other private or government disability or retirement; rental income and rental assistance; free housing/utilities/clothing/food; or any other type of money received.

You must also report on your Quarterly Report any changes in income that you expect to happen during the next quarter (three months). This includes earned, unearned and disability based income changes.

Property:

Any property including, motor vehicles; bank accounts; savings bonds; insurance policies; a home or land; trust; EBT cash balance, etc. that you or anyone in your household has received since your last Quarterly Report and still has, whether it was bought, obtained through a trade or as a gift. The county will use this information to determine if your household exceeds the property limit. You must also report if you or anyone sold, traded or gave away any property since your last Quarterly Report.

You move or someone moves into or out of your home:

Anyone (including newborns) who moved into your home since your last Quarterly Report and is still there. You must also report anyone who moved out of your home or who has died since your last Quarterly Report.

Someone becomes pregnant:

Anyone (including minor children) who becomes pregnant since your last Quarterly Report. Pregnant members in your home may be eligible for a pregnancy special needs payment. Also, if your minor child has not completed high school or its equivalent and becomes pregnant, she may be eligible for additional services under the Cal-Learn Program.

Convicted Drug Felons, Fleeing Felons and Probation/Parole Violators:

The name of anyone in your household who is either avoiding or running from the law to avoid a felony prosecution, custody or confinement after conviction, or in violation of probation or parole. You must also report anyone in your household who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s). Once you have reported this information on your Quarterly Report, you do not need to report this information about the same person every quarter.

Reduced hours of work:

If you are an Able-Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report when your hours of work or training drop below 20 hours a week or 80 hours a month. You must also report if you expect your work or training hours to drop below these limits during the next three months.

Other things that happened since your last report.

Some other things that you will need to report include, Job/Training (started, stopped, quit, refused a job or training, the number of hours worked or in training went up or down, or went out on strike); Citizenship/Immigration Status (a citizenship or immigration status change or anyone got a new card, form or letter from the INS); Babies (became pregnant, had a baby, aborted or miscarried); Marital status (married, divorced or separated); Disability (became disabled or recovered from a disability/major illness); Insurance (started, stopped, or changed life, dental or health insurance benefits including MEDICARE coverage); IHSS (started or stopped getting In-Home Supportive Services); School-Ages 6 through 17 (**For Cash Aid Only:** stopped or started attending school regularly); School-Age 16 or older (started or stopped school or college. Cost of tuition, school transportation, etc.).

Changes you must report at other times:

There are times that you must report changes (within ten (10) days of the change) even if it is not your "report month" such as:

- If you receive Cash Aid, you must report anytime that your family's combined gross income (both earned and unearned) is more than the Income Reporting Threshold (IRT) for a family of your size. Your county worker will tell you the IRT for a family of your size. **Families that only have unearned income or that only get Food Stamps will not be required to report income except on the Quarterly Report form.**
- If you receive Cash Aid, you must report anytime that someone in your household is convicted of a drug related felony for possession, use or distribution of a controlled substance(s), becomes a fleeing felon or is in violation of a condition of probation or parole.
- If you receive Cash Aid and/or Food Stamps, you must report your address change so that the County will know where to send your benefits, Quarterly Report forms and notices.
- If you are an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report anytime the number of hours you work or are in training drop to less than 20 hours a week or 80 hours a month.

Some information you are required to report will cause your benefits to go down or stop (such as having too much income or convicted drug felons and fleeing felons or probation/parole violators).

Changes you may report:

You can also report other information voluntarily even when it is not your "report month." Reporting information voluntarily may cause your household's benefits to go up. If the information voluntarily reported causes your benefits to go up, the county will take action within ten days after you provide verification. One exception is when the increase results from adding another person to your case. In that situation, the County will take action to increase benefits the first of the month after you provide verification. **Even if you have already voluntarily reported something to the County, you must also report it on your next Quarterly Report (QR 7).**

Some examples of voluntary reporting that may cause some of your benefits to go up include:

- Someone who has no income moves into your home (including a newborn).
- Someone (including minor children) becomes pregnant.
- Someone who has income moves out of your home.
- You believe that you or someone in your household is eligible for a CalWORKs Special Needs payment, such as pregnancy special needs or a qualifying special diet.
- Someone in your household is disabled or aged 60 or older and reports **new** medical expenses that you would like to use to figure your Food Stamp benefits.

If the change you report will cause any of your benefits to go down, it will happen in the new quarter.

At anytime, you can ask the County to discontinue your entire case or any individual person who has left the home or is not required to be in the assistance unit. You can also ask the County to stop certain benefits, such as: Medi-Cal or Food Stamps. Receiving Medi-Cal and/or Food Stamps only will not count against your Cash Aid time limits.

Other changes that will cause the County to lower or stop your benefits during the quarter in which they happen.

Here are some examples:

- An adult in the household reaches the CalWORKs 60-month time limit;
- A household member is sanctioned/penalized;
- A child (who is not pregnant or who is not a parent) reaches the age of 18 (and will not graduate from high school before the age of 19);
- Someone in your household starts getting benefits in another household;
- An eligible child is placed in Foster Care.
- An Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient's number of hours worked or training drops to less than 20 hours per week or 80 hours per month.

How the County will figure your Cash Aid and Food Stamps:**New budgeting rules**

The amount of Cash Aid and/or Food Stamps you can get depends on your income and allowable expenses. The income and expenses you expect to have in the next three months will be used to figure the amount of Cash Aid and/or Food Stamps you can get for those three months. Information that you put on the QR 7 will be used to figure the amount of your Cash Aid and/or Food Stamps for the next quarter (three months).

For example, if you turn in a QR 7 in March, you will report what income you had in February. You will also report any income and expense changes you expect to have in April, May, and June. If your income and/or expenses from February are expected to stay the same, your Cash Aid and/or Food Stamps for April, May, and June will be figured using February's income and expenses. If your income and/or expenses are expected to change, your worker will use the new income and/or expense amounts you think you'll get in April, May, and June to figure your Cash Aid and/or Food Stamp amount for those months. This is called prospective budgeting.

Failure to report and/or purposely reporting false or inaccurate information:

Failure to report the required information or purposely reporting false or inaccurate information may result in your benefits being overpaid. Any overpaid benefits caused by your failure to report or purposely reporting false or inaccurate information **MUST** be repaid. You may also be subject to fraud charges/penalties if you do not report required information to the County.

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. '4-99)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-04-0629-04	REGULATORY ACTION NUMBER 05-0624-04C	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

in the office of the Secretary of State of the State of California

AUG 05 2005

At 2:19 O'clock P M.

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
California Department of Social ServicesAGENCY FILE NUMBER (If any)
ORD #0404-02

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE ☐ Notice re Proposed Regulatory Action ☐ Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER ()	FAX NUMBER (Optional) ()
OAL USE ONLY	ACTION ON PROPOSED NOTICE ☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/Withdrawn		NOTICE REGISTER NUMBER <u>04-#28-2</u>	PUBLICATION DATE <u>7-9-2004</u>

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) CalWORKs Quarterly Reporting/Prospective Budgeting	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 04-0624-04EP and 04-1217-06EP
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics-related)

SECTION(S) AFFECTED (List all section number(s) individually)	ADOPT [See attached]
	AMEND [See attached]
TITLE(S) Title 22/MPP	REPEAL [See attached]

3. TYPE OF FILING

☐ Regular Rulemaking (Gov. Code, § 11346)	☐ Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code, §§ 11349.3, 11349.4)	☐ Emergency (Gov. Code, § 11346.1(b))	☐ Emergency Readopt (Gov. Code, § 11346.1(h))	☐ Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, § 11346.1)
☒ Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Government Code §§ 11346.2 - 11346.9 prior to, or within 120 days of, the effective date of the regulations listed above.				
☐ Print Only	☐ Changes Without Regulatory Effect (Cal. Code Regs., title 1, § 100)	☐ Other (specify) _____		

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §§ 44 and 45)

[See attached]

5. EFFECTIVE DATE OF REGULATORY CHANGES (Gov. Code, §§ 11343.4, 11346.1(d))

☐ Effective 30th day after filing with Secretary of State	☒ Effective on filing with Secretary of State	☐ Effective other (Specify) _____
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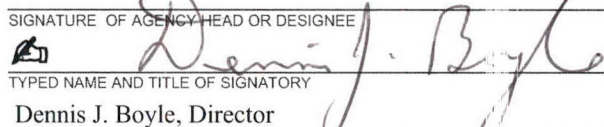
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

☒ Department of Finance (Form STD. 399) (SAM §6660)	☐ Fair Political Practices Commission	☐ State Fire Marshal
☐ Other (Specify) _____		

7. CONTACT PERSON Alison Garcia, Manager, ORD	TELEPHONE NUMBER (916) 657-2586	FAX NUMBER (Optional) ()	E-MAIL ADDRESS (Optional)
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8.

I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 6/9/05
TYPED NAME AND TITLE OF SIGNATORY Dennis J. Boyle, Director	

NOTICE PUBLICATION/REGULATIONS SUBMISSION

STD. 400 (REV. 4-99) (REVERSE)

INSTRUCTIONS FOR PUBLICATION OF NOTICE AND SUBMISSION OF REGULATIONS

Use the form STD. 400 for submitting notices for publication and regulations for Office of Administrative Law (OAL) review.

ALL FILINGS

Enter the name of the agency with the rulemaking authority and agency's file number, if any.

NOTICES

Complete Part A when submitting a notice to OAL for publication in the California Regulatory Notice Register. Submit two (2) copies of the STD. 400 with four (4) copies of the notice and, if a notice of proposed regulatory action, one copy each of the complete text of the regulations and the statement of reasons. Upon receipt of the notice, OAL will place a number in the box marked "Notice File Number." If the notice is approved, OAL will return the STD. 400 with a copy of the notice and will check "Approved as Submitted" or "Approved as Modified." If the notice is disapproved or withdrawn, that will also be indicated in the space marked "Action on Proposed Notice." Please submit a new form STD. 400 when resubmitting the notice.

REGULATIONS

When submitting regulations to OAL for review, fill out STD. 400, Part B. Use the form that was previously submitted with the notice of proposed regulatory action which contains the "Notice File Number" assigned, or, if a new STD. 400 is used, please include the previously assigned number in the box marked "Notice File Number." In filling out Part B, be sure to complete the certification including the date signed, the title and typed name of the signatory. The following must be submitted when filing regulations: seven (7) copies of the regulations with a copy of the STD. 400 attached to the front of each (one copy must bear an original signature on the certification) and the complete rulemaking file with index and sworn statement. (See Government Code § 11347.3 for rulemaking file contents.)

RESUBMITTAL OF DISAPPROVED OR WITHDRAWN REGULATIONS

When resubmitting previously disapproved or withdrawn regulations to OAL for review, use a new STD. 400 and fill out Part B, including the signed certification. Enter the OAL file number(s) of all previously disapproved or withdrawn filings in the box marked "All Previous Related OAL Regulatory Action Number(s)" (box 1b. of Part B). Submit seven (7) copies of the

regulation to OAL with a copy of the STD. 400 attached to the front of each (one copy must bear an original signature on the certification). Be sure to include an index, sworn statement, and (if returned to the agency) the complete rulemaking file. (See Government Code §§ 11349.4 and 11347.3 for more specific requirements.)

EMERGENCY REGULATIONS

Fill out only Part B, including the signed certification, and submit seven (7) copies of the regulations with a copy of the STD. 400 attached to the front of each (one copy must bear an original signature on the certification). (See Government Code § 11346.1 for other requirements.)

NOTICE FOLLOWING EMERGENCY ACTION

When submitting a notice of proposed regulatory action after an emergency filing, use a new STD. 400 and complete Part A and insert the OAL file number for the original emergency filing in the box marked "All Previous Related OAL Regulatory Action Number(s)" (box 1b. of Part B). OAL will return the STD. 400 with the notice upon approval or disapproval. If the notice is disapproved, please fill out a new form when resubmitting for publication.

CERTIFICATE OF COMPLIANCE

When filing the certificate of compliance for emergency regulations, fill out Part B, including the signed certification, on the form that was previously submitted with the notice. If a new STD. 400 is used, fill in Part B including the signed certification, and enter the previously assigned notice file number in the box marked "Notice File Number" at the top of the form. The materials indicated in these instructions for "REGULATIONS" must also be submitted.

EMERGENCY REGULATIONS - READOPTION

When submitting previously approved emergency regulations for readoption, use a new STD. 400 and fill out Part B, including the signed certification, and enter the previously assigned notice file number in the box marked "Notice File Number" at the top of the form.

If you have any questions regarding this form or the procedure for filing notices or submitting regulations to OAL for review, please contact the Office of Administrative Law at (916) 323-6815.

Notice Publication/Regulations Submission, STD. 400
California Department of Social Services
Implementation of the Quarterly Reporting/Prospective Budgeting System for the
CalWORKs Program (ORD #0404-02)
Section B.2. Specify California Code of Regulations Title(s) and Section(s):

California Department of Social Services Manual of Policies and Procedures

Adopt Section 40-036

Amend Sections:

22-071	40-190	44-101	44-314	47-220
22-072	41-405	44-102	44-315	47-320
22-305	42-209	44-111	44-316	48-001
40-103	42-213	44-113	44-318	80-301
40-105	42-221	44-115	44-325	80-310
40-107	42-302	44-133	44-327	82-612
40-119	42-406	44-205	44-340	82-812
40-125	42-407	44-207	44-350	82-820
40-131	42-716	44-211	44-352	82-832
40-173	42-721	44-304	44-400	89-110
40-181	42-751	44-305	44-401	89-130
40-188	42-769	44-313	44-402	89-201

Repeal: None.

Post-hearing Amendments

1st 15-Day Renotice (held from February 4, 2005 to February 18, 2005):

Amend Sections 22-071.12(QR); 22-305.422(a); Sections 40-103.5(QR); 40-105.4 and .5; 40-125.952(QR) and .962(QR); 40-188.14(QR); Section 42-209.2(QR); Sections 44-101(m)(1)(QR); 44-133.54 Handbook Example 4(QR); 44-205.122(a)(QR); 44-211.11(QR), .631(QR), and .641(QR); 44-313.11(QR) and .41(QR); 44-315.315(a)(QR) et seq. and .317 and .315(a)(QR) Handbook Examples and 44-315.39 Handbook Example 2(QR); 44-316.2(QR), .23(QR), .3(QR), .31(QR), .324(c)(QR), .331(QR), and .312(b)(5)(QR) Handbook; 44-318.14(QR); 44-350.18; 44-352.111(QR) and .112, and .121(a)(2)(QR) Handbook; Sections 82-824.1; 82-832.3(QR); Sections 89-110.262(QR) and 32(QR) Example 11 Handbook and .33(QR) Examples 14 and 18 Handbook.

2nd 15-Day Renotice (held from March 25, 2005 to April 11, 2005):

Amend Sections 44-316.311(a)(QR) and .312(a)(3)(QR)

- 1) Amend Section 22-071.12 to read:
- 2) Amend Section 22-071.12(QR) to read:

22-071 ADEQUATE NOTICE

22-071

- .1 Except as provided in Section 22-071.2, the county shall give the claimant adequate notice as defined in Section 22-001a.(1) in the following instances: (Continued)

- .12 Section 22-071.12(MR) shall become inoperative and Section 22-071.12(QR) shall become operative in a county on the date Quarterly Reporting/Prospective Budgeting (QR/PB) becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When aid is denied, decreased, suspended, cancelled, discontinued, or terminated.

(QR) When aid is denied, decreased, not changed following a recipient mid-quarter report, cancelled, or discontinued. When aid is not changed due to a voluntary recipient mid-quarter report, the notice shall be sent as soon as administratively possible but no later than thirty days from the date the voluntary report is made. (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10613, 11209, 11265.2, 11265.3, and 11511(a), Welfare and Institutions Code; and 45 CFR 255.4(j)(1) and 256.4(b).

Amend Section 22-072.2 to read:

22-072 TIMELY NOTICE - AID PENDING HEARING (Continued)

22-072

.2 Timely notice shall not be required in the following instances, although the county shall send adequate notice no later than the effective date of the action: (Continued)

(j) Section 22-072.2(j)(MR) shall become inoperative and Section 22-072.2(j)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The county receives a complete Monthly Eligibility Report (CA 7) after the eleventh calendar day of the report month and the county's action to discontinue or decrease aid is a result of the information on the CA 7 or the recipient's failure to submit a timely or complete report of earnings without good cause as specified in Section 40-181.23(MR).

(QR) The county receives a complete Quarterly Eligibility Report (QR 7) after the eleventh calendar day of the QR Submit Month and the county's action to discontinue or decrease aid is a result of the information on the QR 7 or the recipient's failure to submit a timely or complete report of earnings without good cause as specified in Section 40-181.23(QR).

HANDBOOK BEGINS HERE

(1) Subsection (j) is enjoined by the injunction in Saldivar v. McMahon.

HANDBOOK ENDS HERE

(k) (Continued)

(l) Section 22-072.2(l)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) The county determines there will be no change in a recipient's cash aid as a result of a recipient mid-quarter report. (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10613, 11209, 11265.1, 11501.1(a), 11501.5(a), and 11511(a), Welfare and Institutions Code; 45 CFR 205.10; 45 CFR 255.2(h)(2); 45 CFR 256.2(c); and 45 CFR 256.4(d).

- 1) Amend Handbook Section 22-305.422(a) et seq. to read:
- 2) Amend Handbook Sections 22-305.422(a)(1)(QR) and (2)(QR) to read:

22-305 GENERAL PROVISIONS (Continued)

22-305

.4 Definitions

The definitions in Section 22-001 shall apply unless they are specifically provided for in this chapter. The following additional definitions, in alphabetical order, shall apply wherever the terms are used in this chapter: (Continued)

.42 Intentional Program Violation (IPV). - Means an action by an individual, for the purpose of establishing or maintaining the family's eligibility for AFDC or for increasing or preventing a reduction in the amount of the grant, which is intentionally: (Continued)

.422 Any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity.

HANDBOOK BEGINS HERE

(a) To determine what constitutes an IPV, CDSS recognizes a distinction in the following:

- (1) Handbook Section 22-305.422(a)(1)(MR) shall become inoperative and Handbook Section 22-305.422(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Intentional concealment or willful misrepresentation which may result in an IPV.

(MR) EXAMPLE: In completing the Monthly Eligibility Report (CA 7), respondent checks the box indicating family has no income. Respondent also checks box indicating that no one had started employment that month. County evidence indicates respondent did start work during the month it was reported that no one had started work. Respondent also did receive earnings in each of the months under review.

(QR) EXAMPLE: In completing the Quarterly Eligibility Report (QR 7), respondent checks the box indicating the family has no income. Respondent also checks box indicating that no one had started employment in the ~~Data Month~~ QR 7 Reporting Period. County evidence indicates respondent did start work during the QR

Data Month, but it was reported that no one had started work. Respondent also did receive earnings in each of the months under review.

- (2) Handbook Section 22-305.422(a)(2)(MR) shall become inoperative and Handbook Section 22-305.422(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Incorrect representation, negligence, or omissions because of a mistake or a lack of understanding of eligibility requirements which do not result in an IPV.

- (MR) EXAMPLE: Respondent reports that he/she began employment the last week of the reporting month, and that he/she will be paid every two weeks. Respondent completes the next CA 7 and checks the: "No" box for income received in the month.

- (QR) EXAMPLE: Respondent reports on the QR 7 that he/she began employment the last week of the Data Month, and that he/she will be paid every two weeks. Respondent completes ~~the next a~~ subsequent QR 7 and checks the "No" box for income received in the month.

- (3) Handbook Section 22-305.422(a)(3)(MR) shall become inoperative and Handbook Section 22-305.422(a)(3)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

The CWD's omission, neglect, or error in explaining requirements for assistance or in processing information, which does not result in an IPV.

- (MR) EXAMPLE: Respondent completes CA 7 without answering question relating to household's receipt of income during the month. Respondent does this for five months and CWD fails to return the CA 7 as incomplete. Evidence establishes respondent had income in each of these months.

- (QR) EXAMPLE: Respondent completes QR 7 without answering question relating to household's receipt of income during the Data Month. Respondent does this for two quarters and the county fails to return the QR 7 as incomplete. Evidence establishes respondent had income during the Data Month.

HANDBOOK ENDS HERE

.43 (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; and 45 CFR 235.112(b) and .113(b)(2).

Adopt new Section 40-036 to read:

40-036 IMPLEMENTATION OF QUARTERLY REPORTING PROSPECTIVE 40-036
BUDGETING FOR CalWORKs RECIPIENTS

- .1 Effective Date All regulatory action implementing the provisions of Quarterly Reporting/Prospective Budgeting (QR/PB) as authorized by Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statutes of 2002), and AB 1402 (Chapter 398, Statutes of 2003) shall become effective for recipient cases upon Quarterly Reporting becoming operative in the county in which they reside pursuant to the Director's QR/PB Declaration. Quarterly Reporting regulations include a unique regulation design which include a tandem format for the operation of both monthly and quarterly reporting systems to account for the staggered implementation dates. Regulations that become obsolete under Quarterly Reporting, are labeled as (MR). Regulations that are operative under Quarterly Reporting are labeled (QR). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged. In addition, each regulation impacted by QR includes a disclaimer stating QR regulations will replace the MR regulations once QR is implemented by the county.
- .2 Divisions Impacted by Quarterly Reporting Division 22, 40, 42, 44, 47, 48, 80, 82, and 89.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code; and Section 71, Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003).

Reference: Sections 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; Section 70, AB 444 (Chapter 1022, Statutes of 2002); and Section 71, AB 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003).

- 1) Amend Section 40-103 to read:
- 2) Amend Section 40-103.5(QR) to read:

40-103 DEFINITIONS AND DESIGNATIONS - GENERAL (Continued) 40-103

.5 Section 40-103.5(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Quarterly Reporting Cycle – The quarterly reporting (QR) cycle is comprised of three consecutive months which constitute a QR Payment Quarter. The following terminology is used to describe the months and the quarter of an individual QR cycle:

(QR) .51 QR Payment Quarter – the quarter for which cash aid is paid/issued. A quarter is comprised of three consecutive calendar months. The QR Payment Quarter begins the first day immediately following the QR Submit Month.

(QR) .52 Next QR Payment Quarter – the quarter immediately following the QR Submit Month.

(QR) .53 QR Data Month – the month for which the recipient reports all information necessary to determine eligibility. The QR Data Month is the second month of each QR Payment Quarter.

(QR) .54 QR Submit Month – the month in which the QR 7 is required to be submitted to the county. The QR Submit Month immediately follows the QR Data Month and is the third month of each QR Payment Quarter.

HANDBOOK BEGINS HERE

(QR) The following table illustrates how months are arranged in a QR cycle.

1 st Quarter			2 nd Quarter		
January	February	March	April	May	June
	QR Data Month	QR Submit Month	QR Payment Quarter		

HANDBOOK ENDS HERE

(QR) .55 QR 7 Reporting Period – The QR Data Month and the two preceding months.
(Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10604, 11056, and 11265.1, Welfare and Institutions Code; and 45 CFR 206.10(a)(1)(ii).

- 1) Amend Section 40-105.14 and Handbook Section 40-105.222(b) to read:
- 2) Amend Sections 40-105.4(h) and .5(g) to read:

40-105 APPLICANT AND RECIPIENT RESPONSIBILITY

40-105

.1 Assuming Responsibility Within His/Her Capabilities (Continued)

- .14 Section 40-105.14(MR) shall become inoperative and Section 40-105.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Reporting, within five calendar days of the occurrence, any change in any of these facts (see Sections 40-181.14(e)(1)(MR) and 44-315.71).

(QR) Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1)(QR)) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the quarter (see Section 44-316(QR)). (Continued)

.2 Social Security Number (SSN) (Continued)

.22 (Continued)

HANDBOOK BEGINS HERE

.222 (Continued)

- (b) Handbook Section 40-105.222(b)(MR) shall become inoperative and Handbook Section 40-105.222(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example: Mother gave birth on May 8, but was not released from the hospital until May 20. She reported the birth of the child on the May CA 7 requesting that the child be added to her grant. The time period to apply for an SSN for the child and submit verification of a completed application to the CWD begins on May 21 and ends on June 30.

(QR) Example: Mother gave birth on May 8, but was not released from the hospital until May 20. She reported the birth of the child in May requesting that the child be added to her grant. The time period to apply for an SSN for the child and submit verification of a completed application to the county begins on May 21 and ends on June 30.
(Continued)

HANDBOOK ENDS HERE (Continued)

.4 Immunization Requirements (Continued)

- (h) Section 40-105.4(h)(MR) shall become inoperative and Section 40-105.4(h)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Restoration of Aid

- (MR) Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month in which verification is received.

- (QR) Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month following the month in which verification is received (see Section 44-316.331(d)(QR)).
(Continued)

.5 School Attendance Requirements (Continued)

- (g) Section 40-105.5(g)(MR) shall become inoperative and Section 40-105.5(g)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Restoration of Aid

- (MR) The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month in which verification of regular school attendance is received.

- (QR) The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month following the month in which verification of regular school attendance is received (See Section 44-316.331(d)(QR)).

Authority Cited: Sections 10553, 10554, 10604, 11209, 11253.5, and 11265.8, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10604, 11209, 11253.5, 11265.2, 11265.3, 11265.8, 11266, 11268, 11450.5, and 11486, Welfare and Institutions Code; Section 48200, Education Code; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 233.10(a)(1)(iv) and 235.112(b); 7 CFR 273.16(b); 42 U.S.C. 402(a)(6) and 616(b); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

Amend Section 40-107 to read:

40-107 COUNTY RESPONSIBILITY

40-107

(a) Assisting the Applicant (Continued)

(1) (Continued)

(A) (Continued)

(B) (Continued)

- (2) All forms pertaining to (a)(1) and (a)(1)(A) above shall be available for the applicant to complete at the initial interview when the CA 2.1 is completed, but need not be completed prior to granting emergency aid.
- (3) Section 40-107(a)(3)(MR) and Handbook Section 40-107(a)(3)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The applicant shall be informed of the availability of reduced income supplemental payments and of the necessity that an assistance unit request the payments in order for them to be provided.

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(MR) (See Section 44-400 regarding reduced income supplemental payments.)

HANDBOOK ENDS HERE

(4) (Continued)

(A) (Continued)

1. (Continued)

2. (Continued)

3. (Continued)

- (B) The recipient shall be informed, by a notice of action, at redetermination of aid. The notice shall include information as required in MPP Section 40-107(a)(4)(A).

(C) (Continued)

1. A notice of action which meets the requirements in MPP Section 42-107(a)(4)(C)1.

2. (Continued)

(D) (Continued)

1. A notice of action pursuant to MPP Section 40-107(a)(4)(A), (a)(4)(B), or (a)(4)(C)1. satisfies this requirement.

2. Once the notice of action required in MPP Section 40-107(a)(4)(D) is sent, no further notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(D), shall be required until a total of six exempt months have passed.

(E) No notice pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(F) need be sent under the following circumstances:

1. Within 3 calendar months from a previous notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through 40-107(a)(4)(D), was provided.

2. (Continued)

(F) (Continued)

1. (Continued)

2. The specific months that were exempt from the 60-month time limit since the most recent notification (pursuant to MPP Sections 40-107(a)(4)(A), 40-107(a)(4)(B), 40-107(a)(4)(C)1. or 40-107(a)(4)(D)),

3. (Continued)

(G) (Continued)

1. Information in accordance with Section 40-107(a)(4)(A).

2. (Continued)

(H) After the 60-month time limit notice of action, an adult who has reached the CalWORKs 60-month time limit and whose children remain on aid, shall be informed by notice of action pursuant to MPP Section 40-107(a)(4)(B) when child support or overpayment recoupment reimburses any month(s) on aid.

(See MPP Section 42-302.21(g) for reimbursement of aid through child support recoupment and MPP Section 42-302.2 for overpayment months that are repaid.)

- (I) After the 60-month time limit notice of action, an adult who has reached the CalWORKs 60-month time limit and whose children are no longer aided, shall be informed pursuant to MPP Sections 40-107(a)(4)(A) and (a)(4)(F).

(5) (Continued)

(A) (Continued)

HANDBOOK BEGINS HERE

(B) (Continued)

(C) (Continued)

HANDBOOK ENDS HERE

- (6) Informational materials required by DSS shall either be given to applicants during the application interview or mailed with Notice of Action forms approving or restoring AFDC grants or Certifications for Medical Assistance (see 40-171(b)(1)).

(A) (Continued)

(B) (Continued)

(C) (Continued)

(D) (Continued)

(7) (Continued)

(A) (Continued)

(B) (Continued)

- (C) When an SSN card or other acceptable evidence is not available, the county shall accept the furnished SSN pending verification of the number through IEVS in accordance with (g)(2) of this section.

(D) (Continued)

(E) (Continued)

(F) (Continued)

(8) (Continued)

(9) (Continued)

(A) (Continued)

(B) Recipients, at redetermination, but not later than 30 days after being informed in accordance with Section 40-107(a)(6).

(b) (Continued)

(1) (Continued)

(2) (Continued)

(c) (Continued)

(1) (Continued)

(2) (Continued)

(d) (Continued)

(e) (Continued)

(f) (Continued)

(1) (Continued)

(A) (Continued)

(B) (Continued)

(2) (Continued)

(A) (Continued)

1. (Continued)

2. (Continued)

(B) (Continued)

(C) (Continued)

(g) (Continued)

(1) (Continued)

(A) (Continued)

(B) (Continued)

(C) (Continued)

(D) (Continued)

(E) (Continued)

1. (Continued)

2. (Continued)

(F) (Continued)

(G) (Continued)

(H) (Continued)

(2) (Continued)

(3) (Continued)

(A) (Continued)

(4) (Continued)

(h) (Continued)

(i) (Continued)

(j) Section 40-107(j)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Establishing the Quarterly Reporting Cycle

Applicants shall be assigned a specific Quarterly Reporting (QR) cycle using the application date, the terminal digit of the case number, or other method determined by the county. To the extent possible, the county should align the CalWORKs annual redetermination of eligibility with the Food Stamp certification period and should also

align the redetermination/recertification with the month the QR 7 is due (QR Submit Month). The county shall provide the QR 7 at the end of each QR Data Month, but no later than the first day of each QR Submit Month. The county must provide the recipient with a written notice that will include:

- (QR) (1) The AU's individual QR cycle,
- (QR) (2) The month in which the initial QR 7 and subsequent QR 7s are due, and
- (QR) (3) The QR Data Month they will be responsible for reporting information.

(QR) (A) Quarterly Reporting Cycle Based on Application Date

The county shall establish three QR cycles, each comprised of four QR Payment Quarters (see Section 40-103.5(QR)). The county shall assign the applicant to one of these cycles based on the month of application. The month of application shall be considered the first month of the QR Payment Quarter regardless of whether cash aid is issued in that month.

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- (QR) This model requires CWDs to consider a client's application month as the first month of the QR Payment Quarter. This month will begin the QR cycle for the new reporting system. Clients will be assigned to one of three cycles, based on their application date. For purposes of discussing months within the cycle, the following definitions will apply:

QR Payment Quarter – the quarter in which benefits are paid. The QR Payment Quarter will include three consecutive months. The month of application will be considered the first month of the "QR payment quarter" for purposes of identifying the appropriate client reporting cycle, regardless of whether benefits are issued in that month or as a supplemental payment in a subsequent month.

QR Data Month – the 2nd month of the quarter for which the client reports all information necessary to determine eligibility and

QR Submit Month – The third month of the quarter in which the QR 7 is required to be submitted to the CWD.

<u>January</u> (Application Month)	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
QR Payment Quarter Begins	QR Data Month	QR Submit Month	QR Payment Quarter Begins	QR Data Month	QR Submit Month

<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
QR Payment Quarter Begins	QR Data Month	QR Submit Month	QR Payment Quarter Begins	QR Data Month	QR Submit Month
					RV/RC due

<u>January</u> (13th month)
QR Payment Quarter Begins
New FS Cert Period

The following cycles would be assigned to each applicant, based on application date.

Cycle 1:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
January	February	March
April	May	June
July	August	September
October	November	December

Cycle 2:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
February	March	April
May	June	July
August	September	October
November	December	January

Cycle 3:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
March	April	May
June	July	August
September	October	November
December	January	February

This system enables the county to align the reporting/budgeting cycle with the FS recertification date. The month in which the certification period expires will always be the QR Submit Month, which will be when the recertification can be completed to set up the thirteenth month's allotment.

HANDBOOK ENDS HERE

(QR) (B) Quarterly Reporting Cycle Based on Terminal Digits

The county shall establish three QR cycles, each for a particular set of numbers. Counties shall determine the groupings. The county shall assign a cycle to an applicant/recipient based on the last digit of his/her case number.

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Following is one example of how a county might set up their QR cycle based on terminal digits:

Cycle 1 will be assigned to cases ending in 0, 1, 2, and 3.

Cycle 2 will be assigned to cases ending in 4, 5, and 6.

Cycle 3 will be assigned to cases ending in 7, 8, and 9.

HANDBOOK ENDS HERE

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, 11209, 11265.1, 11268, 11323.3, 11324.8(a) and (f)(1), AB 312, Chapter 1568, Statutes of 1990, 11454(b) and (e), 11495.1, 11500(b), 11502(b), and 11511(a), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 42 USC Sections 608(a)(7), 682(c)(2), (3), (4) and (5); 45 CFR 205.42(d)(2)(v)(A) and (B) as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 205.55; 45 CFR 250.20; 45 CFR 250.40(a), (b), (c)(1) and (2); 45 CFR 255.1; 45 CFR 256.1(b), and California Department of Health Services Manual Letter 77-1.

Amend Section 40-119.2 to read:

40-119 HOW AND WHERE APPLICATION IS MADE (Continued)

40-119

.2 Optional Persons

Section 40-119.2(MR) shall become inoperative and Section 40-119.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The county shall consider either the SAWS 1, SAWS 7, or the CA 7 the application for adding an optional person.

(QR)

The county shall consider either the SAWS 1, QR 3, or the QR 7 the application for adding an optional person. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: 45 CFR 206.10(a)(1)(ii), (a)(8), and (b)(2); 45 CFR 233.10(a)(1)(ii)(A) and (B); 45 CFR 233.100(a)(3)(iii) and (vi)(A); and Sections 11265.1, 11265.3, and 11450(b), Welfare and Institutions Code.

- 1) Amend Section 40-125.9 et seq. to read:
- 2) Amend Sections 40-125.952(QR) and .962(QR) to read:

40-125 REAPPLICATIONS, RESTORATIONS, AND COUNTY
OF RESPONSIBILITY (Continued)

40-125

.9 Request for Restoration of Aid (Continued)

.92 Section 40-125.92(MR) shall become inoperative and Section 40-125.92(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the applicant is determined to be eligible within the month following discontinuance, the applicant must provide the Monthly Eligibility Reports (CA 7), to the extent needed for purposes of retrospective grant computation, for the month prior to the last month of aid and for the last month in which the applicant was aided, unless complete CA 7s for these months are in the county's possession. (See Sections 44-313.2(MR) and 44-317.)

(QR) If the applicant is determined to be eligible within the month following discontinuance, the applicant must provide a current QR 7 unless a complete QR 7 for the quarter in which the applicant was discontinued is in the county's possession. The applicant may be assigned to the previous QR cycle or a new QR cycle based on the date of the most recent request for aid.

.921 Section 40-125.921(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CA 7(s) are not required when aid is to be computed prospectively. (See Section 44-313.1.) (Continued)

.94 Section 40-125.94(MR) shall become inoperative and Section 40-125.94(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Restorations in the Calendar Month Following a CA 7 Related Discontinuance

(QR) Restorations in the Calendar Month Following a QR 7 Related Discontinuance

.941 Section 40-125.941(MR) shall become inoperative and Section 40-125.941(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a recipient who has been discontinued for failure to submit a complete CA 7 requests restoration of AFDC during the calendar month following discontinuance, but after the first working day, the CWD shall determine if the recipient had good cause (Section 40-181.23(MR)) for failure to submit a complete report.

(QR) When a recipient who has been discontinued for failure to submit a complete QR 7 requests restoration of CalWORKs during the calendar month following discontinuance, but after the first working day of the next QR Payment Quarter, the county shall determine if the recipient had good cause (Section 40-181.23(QR)) for failure to submit a complete report.

.942 Section 40-125.942(MR) shall become inoperative and Section 40-125.942(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained in the complete CA 7 submitted by the recipient.

(QR) If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained on the complete QR 7 submitted by the recipient.

.943 (Continued)

.95 Section 40-125.95(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Restorations Based on Excess Property

(QR) When a former recipient requests restoration of cash aid after a discontinuance due to excess property, the county shall verify that the AU did not transfer assets for less than fair market value (see Section 42-221).

(QR) .951 If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall evaluate the property spend down and if the AU is verified property eligible, the county shall rescind the discontinuance.

(QR) .952 If an ~~AU~~ former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration.

Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous QR cycle or a new QR cycle based on the date of restoration cash aid is restored.

- .96 Section 40-125.96(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Restorations Based on Excess Income

- (QR) When an AU is discontinued due to excess income, the recipient may request restoration of cash aid if the AU experiences a loss or reduction of reasonably anticipated income that was used to determine financial ineligibility.

- (QR) .961 If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall determine income eligibility and rescind the discontinuance if the AU is found eligible.

- (QR) .962 If ~~an AU~~ former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous QR cycle or a new QR cycle based on the date of restoration cash aid is restored.

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 45 CFR 233.60, Section 3510 (October 1961), Federal Handbook of Public Assistance Administration; Section 11349, Government Code; Sections 10553, 10554, 10604, 11008, 11023.5, 11056, 11102, 11265.1, 11265.2, 11450.12, and 11451.5, Welfare and Institutions Code; and ACF-AT-94-5.

- 1) Amend Section 40-131.3 to read:
- 2) Correct punctuation in Section 40-131.3(h) to read:

40-131 INTERVIEW REQUIREMENT (Continued)

40-131

.1 Interview Required Prior to Granting Aid (Continued)

- .12 For any applicant who chooses to apply for both AFDC and food stamps, as specified in Section 40-107(a)(5)(B), the CWD shall conduct a single interview for both programs. AFDC applicants shall not be required to see a different eligibility worker or otherwise be subjected to two interview requirements to obtain the benefits of both programs. (Continued)

.3 Content of Application Interview (Continued)

- (a) (Continued)
- (b) (Continued)
- (c) (Continued)
- (d) (Continued)
- (e) (Continued)
- (f) (Continued)
- (g) (Continued)
- (h) The availability of appropriate services and resources within the agency, including family planning (See Section 40-107(f)(2)-).
- (i) (Continued)
- (j) (Continued)
- (k) (Continued)
- (l) (Continued)
- (m) (Continued)
- (n) (Continued)
- (o) (Continued)

- (p) Section 40-131.3(p)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The availability of a reduced income supplemental payment and the necessity that an assistance unit request the payment in order for it to be provided.

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(MR) (See Section 44-400 regarding reduced income supplemental payments.)

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(q) (Continued)

(r) (Continued)

(s) The availability of program activities and supportive services of the GAIN Program for which applicants and recipients may be eligible. (See Sections 40-107(a)(6) and (a)(7).)

(t) (Continued)

(u) (Continued)

(v) (Continued)

(w) (Continued)

(x) (Continued)

(y) (Continued)

(z) (Continued)

Authority Cited: Sections 10553, 10554, 10604, and 18904, Welfare and Institutions Code.

Reference: Sections 10613, 11209, 11253.5, 11265.8, 11280, 11323.3, 11324.8(a), AB 312, Chapter 1568, Statutes of 1990, 11495.1, 11500(b), and 11511(a), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 7 U.S.C. 2020(i), 7 CFR 273.2(j), 42 U.S.C. 616(f), 682(c)(2), (3) and (4), 45 CFR 250.20, 45 CFR 250.40(a) and (b); 45 CFR 255.1; 45 CFR 256.1(b), and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

Amend Section 40-173 to read:

40-173 COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING
APPLICANTS AND RECIPIENTS

40-173

Prior to county action (except as provided in .7 below), the applicant or recipient shall be (a) notified of any county action which relates to his application, affects aid payment to him or his certification for medical assistance, or affects aid payments to him or his family, and (b) informed of his responsibility for reporting facts material to the determination of his eligibility. Such notification, advice, etc., shall be in simple understandable language. Required notifications are:

- .1 Section 40-173.1(MR) shall become inoperative and Section 40-173.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Notice of County Action Granting Aid, Changing the Amount of the Grant or Changing the Recipient's Status

(QR) Notice of County Action Granting Aid, Changing the Amount of the Grant, Changing the Recipient's Status or Not Changing the Amount of the Grant Following the Submittal of a Recipient Mid-quarter Report. (Continued)

- .8 Section 40-173.8(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Notification of Income Reporting Threshold (IRT)

(QR) Counties must inform each AU in writing of their individual IRT at least once per quarter. Informing shall also occur when MAP amount changes, when the AU or family MAP size changes, when there is a change of persons who are required to report income, at redetermination, or upon recipient request. The informing notice shall include:

(QR) .81 The requirement to report the receipt of gross monthly income that exceeds the IRT;

(QR) .82 The dollar amount of gross monthly income for the family MAP that exceeds the IRT; and

(QR) .83 The consequences of failing to report.

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10613, 11209, 11265.3, 11500(b), 11502(a) and (b), and 11511(a); Welfare and Institutions Code; 45 CFR 250.20; 45 CFR 250.40(b); 45 CFR 255.1; 45 CFR 256.1(b); 45 CFR 256.2(b)(1); 45 CFR 256.4(c); and Administration for Children and Families-Action Transmittal-91-1, dated June 16, 1992; and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

Amend Section 40-181 to read:

40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181

.1 General County Responsibility

(a) Section 40-181.1(a)(MR) shall become inoperative and Section 40-181.1(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD paying aid shall be responsible for continuing to determine eligibility to insure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as fully as possible, and to make maximum use of their resources and capabilities. For AFDC-FG or U cases, eligibility shall be established by the use of the CA 2 at the time of application and then at one year intervals, and also by the CA 7 (Monthly Eligibility Report).

(QR) The county paying aid shall be responsible for continuing to determine eligibility to insure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as full as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and also by the QR 7, and by recipients mid-quarter reports (see Section 44-316(QR) also see Section 82-832.3(QR)).

(1) Section 40-181.1(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Eligibility regarding deprivation, household/AU composition, property, and the transfer of assets for less than fair market value shall only be determined on a quarterly basis based on the information reported on the QR 7. The county shall compare the information reported on the QR 7 with mid-quarter recipient reports (see Section 44-316(QR)) for accuracy. (Also see Section 82-832.3(QR).)

(b) Section 40-181.1(b)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall send the Reduced Income Supplemental Payment Request Form, CA 40, monthly to all assistance units which have reported income and for two months following a termination of reported income.

(c) (Continued)

(d) Section 40-181.1(d)(MR) shall become inoperative and Section 40-181.1(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Additional determinations shall be made as necessary if unexpected changes in income, property or other circumstances occur which affect the eligibility or grant level of the recipient.

(QR) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(QR).

(e) Issuance of aid in the correct amount is a primary program objective. To achieve this objective it is essential that the county shall:

(1) Section 40-181.1(e)(1)(MR) shall become inoperative and Section 40-181.1(e)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Give applicants and recipients at the time of application and at least once every twelve months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes within five calendar days (Section 40-105.14(MR), Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the CA 2 in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.

(QR) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(QR) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A-QR in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.

- (2) Section 40-181.1(e)(2)(MR) shall become inoperative and Section 40-181.1(e)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) In CalWORKs, the monthly redetermination of eligibility shall follow the procedures described above. This requirement is met by the use of the CA 7. The CA 7 shall be carefully checked each month upon its receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.

(QR) In CalWORKs, the quarterly redetermination of eligibility shall follow the procedures described above. This requirement is met by the use of the QR 7. The QR 7 shall be carefully checked each quarter upon its receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.
(Continued)

(f) (Continued)

- (g) Section 40-181.1(g)(MR) shall become inoperative and Section 40-181.1(g)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes within five calendar days or the prompt return of the CA 2 or CA 7 eligibility redetermination forms.

(QR) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 or QR 7 eligibility redetermination forms. (Continued)

.2 Periodic Determination of Eligibility (Continued)

.21 (Continued)

.212 Section 40-181.212(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Recipients of AFDC-FG/U shall be informed of the availability of reduced income supplemental payments and of the necessity that an assistance unit request the payment in order for it to be provided. (Continued)

.217 Section 40-181.217(QR) and Handbook Section 40-181.217(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) If the redetermination process is established outside of the QR Data Month, the county shall act mid-quarter on all information to increase, decrease, or discontinue cash aid as appropriate.

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(QR) Counties are encouraged to align the CalWORKs redetermination period with the Food Stamp Program recertification period (Section 63-504) to the extent possible. In addition, counties are strongly encouraged to align the submission of the annual redetermination with the submission of the QR 7, so that the QR Data Month information is also the information used for the redetermination.

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.22 Section 40-181.22(MR) shall become inoperative and Section 40-181.22(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) AFDC recipients other than AFDC-FC shall, in addition to the annual completion of the CA 2, complete and return the CA 7 to the County Welfare Department (CWD) by the 5th calendar day of each report month but not before the first calendar day of that month. CA 7s not received by the 11th of the month shall be considered late.

(QR) CalWORKs recipients shall, in addition to the annual completion of the SAWS 2, complete and return the QR 7 to the county by the 5th calendar day of each QR Submit Month but not before the first calendar day of that month. QR 7s not received by the 11th of the QR Submit Month shall be considered late.

.221 Section 40-181.221(MR) shall become inoperative and Section 40-181.221(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Late CA 7s

(QR) Late QR 7s

(a) Section 40-181.221(a)(MR) shall become inoperative and Section 40-181.221(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the CA 7 is not received by the eleventh day of the report month or the CA 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(MR), the CWD shall send the appropriate discontinuance notice.

(QR) When the QR 7 is not received by the 11th day of the QR Submit Month or the QR 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(QR), the county shall send the appropriate discontinuance notice.

(b) Section 40-181.221(b)(MR) shall become inoperative and Section 40-181.221(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a CA 7 has not been received at the CWD after the notice of discontinuance has been sent, the CWD shall attempt to make a personal contact with the recipient either by telephone or in a face-to-face meeting. During the personal contact the CWD shall remind the recipient that a complete CA 7 must be received by the CWD no later than the first working day of the payment month.

(QR) When a QR 7 has not been received at the county after the notice of discontinuance has been sent, the county shall attempt to make a personal contact with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a complete QR 7 must be received by the county no later than the first working day of the next QR Payment Quarter. (Continued)

(c) (Continued)

(d) Section 40-181.221(d)(MR) shall become inoperative and Section 40-181.221(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the recipient contacts the welfare office on the first working day of the payment month to report nonreceipt of his or her warrant, the CWD shall inform the recipient of a pending discontinuance due to nonreceipt of a complete CA 7 and shall inform him/her that the discontinuance will be rescinded if a complete CA 7 is received by the end of that day.

(QR) If the recipient contacts the county on the first working day of the QR Payment Quarter to report nonreceipt of his or her warrant, the county shall inform the recipient of a pending discontinuance due to nonreceipt of a complete QR 7 and shall inform him/her that the discontinuance will be rescinded if a complete QR 7 is received by the end of that day.

(e) Section 40-181.221(e)(MR) shall become inoperative and Section 40-181.221(e)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall not take action to notify the Child Support Enforcement Unit of the District Attorney's Office of any affected employment or training program of a CA 7 related discontinuance until after the first working day of the payment month.

(QR) The county shall not take action to notify the Local Child Support Agency or any affected employment or training program of a QR 7 related discontinuance until after the first working day of the next QR Payment Quarter.

.222 Processing Late CA 7s

(a) Section 40-181.222(a)(MR) et seq. shall become inoperative and Section 40-181.222(a)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If a complete CA 7 is received after the eleventh but on or before the first working day of the payment month, the CWD shall:

(MR) (1) Rescind the discontinuance action; and

(MR) (2) Determine eligibility based on the information reported on the CA 7; and

(3) Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

(QR) If a complete QR 7 is received after the 11th but on or before the first working day of the next QR Payment Quarter, the county shall:

(QR) (1) Rescind the discontinuance action; and

(QR) (2) Determine eligibility based on the information reported on the QR 7.

(b) (Continued)

.223 Section 40-181.223(MR) shall become inoperative and Section 40-181.223(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) In reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a monthly eligibility report as long as the reunification plan remains in place.

(QR) In reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a quarterly eligibility report as long as the reunification plan remains in place.

.23 Section 40-181.23(MR) shall become inoperative and Section 40-181.23(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Good Cause Determination for Failure to Submit a Complete CA 7 Timely

(MR) A recipient may have good cause for not meeting the monthly reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

(QR) Good Cause Determination for Failure to Submit a Complete QR 7 Timely

(QR) A recipient may have good cause for not meeting the quarterly reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

.231 Section 40-181.231(MR) shall become inoperative and Section 40-181.231(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(MR) (Requests for Restoration in the Calendar Month Following a CA 7 Discontinuance).

(QR) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(QR) (Restoration in the Calendar Month Following a QR 7 Discontinuance).

- (a) Section 40-181.231(a)(MR) shall become inoperative and Section 40-181.231(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A request is defined as any clear expression to the CWD, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the monthly reporting requirements. A request for State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(MR).

(QR) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the quarterly reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(QR). (Continued)

- .24 Section 40-181.24(MR) shall become inoperative and Section 40-181.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Criteria for Evaluating Information Reported on the CA 7

(QR) Criteria for Evaluating Information Reported on the QR 7

- .241 Section 40-181.241(MR) shall become inoperative and Section 40-181.241(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For CalWORKs purposes, a CA 7 is complete when all the following requirements are met:

(QR) For CalWORKs purposes, a QR 7 is complete when all the following requirements are met:

- (a) Section 40-181.241(a)(MR) shall become inoperative and Section 40-181.241(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The date the CA 7 (Rev. 7/87) is signed shall be no earlier than the first day of the report month.

(QR) The date the QR 7 is signed shall be no earlier than the first day of the QR Submit Month.

- (1) Section 40-181.241(a)(1)(MR) shall become inoperative and Section 40-181.241(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) This requirement is met when the date entered on the CA 7 by the recipient, together with other dated material provided with the CA 7 and the date on which the CWD mailed or gave the CA 7 to the recipient, clearly establishes that the CA 7 was signed no earlier than the first day of the report month.

(QR) This requirement is met when the date entered on the QR 7 by the recipient, together with other dated material provided with the QR 7 and the date on which the county mailed or gave the QR 7 to the recipient, clearly establishes that the QR 7 was signed no earlier than the first day of the QR Submit Month.

- (2) Section 40-181.241(a)(2)(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) This requirement does not apply when:

(MR) (A) The first day of the report month falls on a nonpostal delivery day;

(MR) (B) The CA 7 is mailed by the CWD for delivery on the last postal delivery day of the budget month; and

(MR) (C) The recipient signs and dates the CA 7 on or before the last day of the budget month.

- (b) Section 40-181.241(b)(MR) shall become inoperative and Section 40-181.241(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The address along with other information provided on the CA 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and

- (QR) The address along with other information provided on the QR 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and
- (c) Section 40-181.241(c)(MR) shall become inoperative and Section 40-181.241(c)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The CA 7 shall be signed by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and
- (QR) The QR 7 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and
- (d) (Reserved)
- (e) Section 40-181.241(e)(MR) shall become inoperative and Section 40-181.241(e)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The response to all questions pertaining to AFDC eligibility and grant amount shall provide the CWD with information sufficient to answer the question. The information provided on the CA 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the assistance unit. Reported income shall include earned, unearned, exempt, and nonexempt income received during the budget month; and
- (QR) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the QR 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include earned, unearned, exempt, and nonexempt income received during the QR Data Month and

income reasonably anticipated to be received during the next QR Payment Quarter; and

- (f) Section 40-181.241(f)(MR) shall become inoperative and Section 40-181.241(f)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Evidence shall be submitted with the CA 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the CA 7 shall be promptly returned to the recipient; and

(QR) Evidence shall be submitted with the QR 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the QR 7 shall be promptly returned to the recipient; and

- (g) Section 40-181.241(g)(MR) shall become inoperative and Section 40-181.241(g)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Information reported on the CA 7 must be consistent with other information which the county has verified to be accurate; and

(QR) Information reported on the QR 7 must be consistent with other information which the county has verified to be accurate; and

- (h) Section 40-181.241(h)(MR) shall become inoperative and Section 40-181.241(h)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CA 7 shall include form CA 72 (as defined in .25(MR) below) when the recipient is a sponsored alien.

(QR) The QR 7 shall include form QR 72 (as defined in Section 40-181.25(QR)) when the recipient is a sponsored alien.

(i) Section 40-181.241(i)(MR) shall become inoperative and Section 40-181.241(i)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The Supplemental Monthly Income Report (CA 73) shall be submitted with the CA 7 when a minor parent (see Section 44-133.51) lives with his/her senior parent. The completeness of the CA 73 shall be determined using the criteria for evaluating the completeness of the CA 7.

(QR) The Senior Parent Quarterly Income Report (QR 73) shall be submitted with the QR 7 when a minor parent lives with his/her senior parent (see Section 89-201.5). The completeness of the QR 73 shall be determined using the criteria for evaluating the completeness of the QR 7.

.242 Failure to provide the information or evidence specified in .241(MR) above shall result in the discontinuance of the assistance unit unless otherwise specified in .25(MR) and .26(MR) below. (See Section 40-181.22(MR).)

.243 (Continued)

(a) Verification of self-employment expenses (see Section 44-113.212(MR)).

.244 Section 40-181.244(MR) shall become inoperative and Section 40-181.244(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Failure to provide the information or evidence specified in .243 above shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the CA 7 incomplete as defined in .241(MR) above.

(QR) Failure to provide the information or evidence specified in Section 40-181.243 shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the QR 7 incomplete as defined in Section 40-181.241(QR).

Sponsored Alien Reporting.

- .25 Section 40-181.25(MR) shall become inoperative and Section 40-181.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) In addition to the Monthly Eligibility Report (CA 7), the recipient who is a sponsored alien as defined in Section 43-119 shall report the income and resources of the sponsor.

(QR) In addition to the Quarterly Eligibility Report (QR 7), the recipient who is a sponsored alien as defined in Section 43-119 shall report the income and resources of the sponsor.

- .251 Section 40-181.251(MR) shall become inoperative and Section 40-181.251(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

Reporting of the sponsor's income and resources.

(MR) The recipient shall submit a completed Sponsors Monthly Income and Resources Report (CA 72) to the CWD. The recipient is responsible for obtaining all information necessary to complete the CA 72 and for obtaining any cooperation necessary from the sponsor.

(QR) The recipient shall submit a completed Sponsors Quarterly Income and Resources Report (QR 72) to the county. The recipient is responsible for obtaining all information necessary to complete the QR 72 and for obtaining any cooperation necessary from the sponsor.

- .252 Section 40-181.252(MR) shall become inoperative and Section 40-181.252(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) The CA 72 shall be due by the 5th calendar day of each month but not before the first calendar day of the report month. When the CWD has not received the completed CA 72 by the 11th calendar day of the report month, the recipient has not met the requirement for returning a complete CA 7. See Section 40-181.22(MR). The CA 72 shall be considered complete if all the following requirements are met:

(QR) The QR 72 shall be due by the 5th calendar day of the QR Submit Month but not before the first calendar day of the next QR Payment Quarter. When the county has not received the completed QR 72 by the 11th calendar day of the QR Submit Month, the recipient has not met the requirement for returning a complete QR 7. See Section 40-181.22(QR). The QR 72 shall be considered complete if all the following requirements are met:

(a) Section 40-181.252(a)(MR) shall become inoperative and Section 40-181.252(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Dated no earlier than the first day of the report month; and

(QR) Dated no earlier than the first day of the QR Submit Month; and
(Continued)

(f) Section 40-181.252(f)(MR) shall become inoperative and Section 40-181.252(f)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Evidence shall be submitted with the CA 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(MR) for examples of acceptable evidence.

(QR) Evidence shall be submitted with the QR 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(QR) for examples of acceptable evidence.

.253 Section 40-181.253(MR) shall become inoperative and Section 40-181.253(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) A complete CA 7 includes form CA 72 (as defined in .251(MR) above) when a member of the FBU is a sponsored alien. The failure to provide a completed CA 72 on or before the 1st calendar day of the payment month shall result in discontinuance for those members of the FBU who are sponsored aliens.

(QR) A complete QR 7 includes form QR 72 (as defined in Section 40-181.251(QR)) when a member of the AU is a sponsored alien. The failure to provide a completed QR 72 on or before the 1st calendar day of the next QR Payment Quarter shall result in discontinuance for those members of the AU who are sponsored aliens.

.26 Section 40-181.26(MR) shall become inoperative and Section 40-181.26(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 43-203.11 will not result in an incomplete CA 7 nor in termination of aid.

(QR) Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 82-520.2 will not result in an incomplete QR 7 nor in termination of aid.

.3 Methods of Periodic Determination of Eligibility

.31 (Continued)

.312 Section 40-181.312(MR) shall become inoperative and Section 40-181.312(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Monthly redeterminations using the CA 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

(QR) Quarterly redeterminations using the QR 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

.32 Section 40-181.32(MR) shall become inoperative and Section 40-181.32(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and CA 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

(QR) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and QR 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant. (Continued)

Authority Cited: Sections 10553, 10554, 10604, 11203, 11265.1, 11369, and 18904, Welfare and Institutions Code.

Reference: 42 U.S.C. 616(b) and (f); 45 CFR 233.28 and 233.29(c); and 45 CFR 235.112(b); 7 CFR 273.16(b); Sections 10063, 10553, 10554, 10604, 11008, 11203, 11253.5, 11254, 11265, 11265.1, 11265.2, 11265.3, 11265.8, 11280, 11450.12, 11451.5, 11486, and 11495.1, Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

- 1) Amend Section 40-188.14 to read:
- 2) Amend Section 40-188.14(QR) to read:

40-188 TRANSFER PROCEDURE

40-188

.1 First County

The first county shall: (Continued)

.14 Determine Eligibility

Section 40-188.14(MR) shall become inoperative and Section 40-188.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR)

Determine continuing eligibility and amount of cash aid from the Monthly Eligibility Report due during the transfer period.

(QR)

Determine continuing eligibility and amount of cash aid from the most recent Quarterly Eligibility Report due during the transfer period. Once eligibility is determined, cash aid shall continue until the end of the QR Payment Quarter in which the transfer period ends.
(Continued)

Authority Cited: Sections 10553, 10554, 10605, 11053, 11102, and 11369, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10605, and 11265.1, Welfare and Institutions Code; and Nickols v. Saenz Court Order Case Number 310867.

Amend Section 40-190.2 to read:

40-190 COUNTY RESPONSIBILITY (Continued)

40-190

.2 Payment Responsibility (Continued)

.21

Section 40-190.21(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Quarterly Reporting Cycle

The second county shall establish the recipient's quarterly reporting cycle which may differ from the first county's quarterly reporting cycle.
(Continued)

Authority Cited: Sections 10553, 10554, 10604, 11053, 11102, and 11369, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10604, 11004, and 11265.1, Welfare and Institutions Code.

Amend Section 41-405 to read:

41-405 TERMINATION OF DEPRIVATION

41-405

.1 When a basis for deprivation ceases, and the family remains in need, the county shall determine if any other basis for deprivation exists.

.11 Section 41-405.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) When a basis for deprivation ceases mid-quarter, the county shall not take mid-quarter action based on changes in deprivation. Any change in deprivation shall be reported on the QR 7 and any change in eligibility or grant amount that results from the change in deprivation shall be effective the first day of the next QR Payment Quarter.

.2 Section 41-405.2(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Assistance shall be continued, if the family is in need, for a readjustment period not to exceed three calendar months when:

(MR) .21 Deprivation, which is due to relinquishment, incapacity or absence, ceases, or

(MR) .22 Deprivation changes to deprivation due to separation or desertion of a parent.

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(MR) The purpose of the readjustment period is to enable aid and service to be provided in order to help the family to become reestablished and to eliminate or minimize situations that will cause the family to have need for further public assistance.

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Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.2 and 11450.5, Welfare and Institutions Code.

- 1) Amend Section 42-209 to read:
- 2) Amend Section 42-209.2(QR) to read:

42-209 DIFFERENTIATION OF PROPERTY AND INCOME

42-209

- .1 Some payments may be considered property, income, or a combination of both. For the differentiation of such payments, see Section 44-105.
 - .2 Section 42-209.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) Under QR/PB, nonrecurring lump sum payments, which are not recurring regular income and usually nonrecurring in regard to amount and/or source, shall be treated as property in the month of receipt and any subsequent months.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

Amend Sections 42-213.11 et seq., .41, .42, .43, and .44 to read:

42-213 PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY 42-213
WHICH MAY BE RETAINED

.1 Real Property to Be Excluded

.11 The following items are to be excluded in evaluating real property:

(a) (Continued)

(b) (Continued)

(c) (Continued)

(d) (Continued)

(e) (Continued)

(f) (Continued)

(g) (Continued)

(h) Section 42-213.11(h)(MR) shall become inoperative and Sections 42-213.11(h)(QR) and (h)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The separate and community shares of real property of the absent parent which are unavailable to the CalWORKs family or child (i.e., the family or child does not have possession or control of the property so that the property may be used to meet current needs). Such unavailable property is to be excluded in cases where the child is living apart from his/her parent or parents. The exclusion applies to a child in foster care regardless of whether his/her parents are maintaining a home together.

(MR) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county only needs to make another availability determination when the county receives information that there has been a change.

(QR) The separate and community shares of real property of the absent parent which are unavailable to the CalWORKs family or child (i.e., the family or child does not have possession or control of the property so that the property may be used to meet current needs). Such unavailable property is to be excluded in cases where the child is living apart from his/her parent or parents. The exclusion applies to a child in foster care regardless of whether his/her parents are maintaining a home together.

(QR) (1) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the QR 7 that there has been a change.

(i) (Continued)

(j) (Continued)

(k) (Continued)

.4 The home which was the usual home of an applicant/recipient who has entered into marital separation shall be treated as follows:

.41 The usual home shall be exempt in determining an applicant's eligibility for CalWORKs and for three months following the end of the month in which aid begins. (Continued)

.411 Section 42-213.411(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) If the exemption period ends mid-quarter, the county shall not act on the information during the QR Payment Quarter. The usual home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended.

.42 The usual home shall be exempt in evaluating a recipient's retained property during the month of separation and for three months following the end of the month in which the separation occurs.

.421 Section 42-213.421(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) If the exemption period ends mid-quarter, the county shall not act on the information during the QR Payment Quarter. The usual home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended.

.43 (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11155 (Ch. 270, Stats. of 1997), 11155.2, 11155.5, 11257, 11265.1, 11265.2, and 11450.5, Welfare and Institutions Code; Sidwell v. McMahon, United States District Court (E.D. Cal.) May 7, 1990, civil no. S-89-0445; Public Laws 97-458, 98-64, and 103-286; and Federal Action Transmittal 91-23.

Amend Section 42-221 to read:

42-221 TRANSFER OF PROPERTY OR INCOME

42-221

- .1 Section 42-221.1(MR) shall become inoperative and Section 42-221.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The receipt of aid shall not limit or restrict a recipient's right to give, receive, sell, exchange, or change the form of property or income holdings. A period of ineligibility (POI) shall result when a recipient AU gives away or transfers, for less than fair market value (FMV), nonexcluded income or property that would cause the AU to exceed its eligibility for benefits. (See Section 42-207 for property limits.)

(QR) The receipt of aid shall not limit or restrict a recipient's right to give, receive, sell, exchange, or change the form of property. A period of ineligibility (POI) shall result when a recipient AU gives away or transfers, for less than fair market value (FMV), nonexcluded property (including cash) would cause the AU to exceed its eligibility for cash aid. (See Section 42-207 for property limits.) (Continued)

.4 Income

Section 42-221.4(MR) shall become inoperative and Section 42-221.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A POI shall result when, in the month of receipt, a recipient gives away or transfers, for less than FMV, nonexempt, nonrecurring income that would cause the AU to be ineligible for a cash aid payment. A transfer for less than FMV results when a recipient uses nonexempt, nonrecurring income to purchase a product or service with an FMV less than the money transferred. (See Section 44-315 for amount of aid.)

(QR) Nonrecurring lump sum income/payments shall be treated as property and shall be subject to any application of POI rules for a transfer of property for less than FMV.

- .41 Section 42-221.41(MR) et seq. shall become inoperative and Section 42-221.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income is considered nonrecurring for purposes of the transfer of POI Income rules if all the following apply:

(QR) Income is considered nonrecurring if all of the following apply: (Continued)

.42 Section 42-221.42(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The POI shall be computed based on the amount of net nonexempt income (NNI) given away or transferred for less than FMV that would have made the AU ineligible for a cash aid payment. The county shall determine the POI as follows:

(MR).421 The amount of the nonexempt income given away or transferred is combined with all other nonexempt income to determine the NNI. (See Section 44-315 for amount of aid.) Subtract the MAP from the NNI;

(MR).422 Take the amount transferred, and subtract from it the value of anything received from the transfer.

(MR).423 Compare the amount calculated in Section 42-221.421(MR) with the amount calculated in Section 42-221.422(MR) and determine the lesser of the two amounts;

(MR).424 Divide the lesser of the two amounts in Section 42-221.423(MR) by the MBSAC for the AU, and

(MR).425 Round the resulting figure down to the nearest whole number to determine the number of months in the POI.

HANDBOOK BEGINS HERE

.5 Section 42-221.5(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example: While on aid, a recipient AU of four persons receives disability-based unearned income (DUI) in the amount of \$3,005. The recipient gives \$2,000 to a relative. The AU has \$800 per month in gross earned income.

(MR).51 Computation Factors:

\$3,005	DUI
<u>- 25</u>	Income Disregard
\$2,780	Net DUI
\$800	Earned Income
<u>- 400</u>	50% Earned Income Disregard
400	Nonexempt Earned Income

\$2,780	Net DUI
+ 400	Nonexempt Earned Income
<u>\$3,180</u>	NNI
\$3,180	NNI
- 728	MAP for four (Region 1)
<u>\$2,452</u>	Adjusted NNI
\$2,000	Amount of income transferred
- 0	Amount received from the transfer
<u>\$2,000</u>	Difference
\$2,452	Adjusted NNI
\$2,000	Difference between the amount transferred and the value of anything received from the transfer (lesser of the two)

\$2,000 divided by \$920 (MBSAC for four, Region 1) = 2.17 months

POI = 2 months (rounded down from 2.17 months)

HANDBOOK ENDS HERE

.6 Applying the Period of Ineligibility (POI)

.61 Section 42-221.61(MR) shall become inoperative and Section 42-221.61(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the family has transferred property or income which results in a POI, the POI begins as follows:

(QR) When the family has transferred property which results in a POI, the POI begins as follows:

.611 Section 42-221.611(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the period of ineligibility is one month, the POI shall begin in the payment month and aid shall be suspended.

.612 Section 42-221.612(MR) shall become inoperative in a county and Section 42-221.612(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the POI is two months or more, aid shall be discontinued and the POI shall begin in:

(QR) When a POI has been determined, cash aid shall be discontinued and the POI shall begin in:

(a) Sections 42-221.612(a)(MR) shall become inoperative and Section 42-221.612(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The month following the transfer when the county has taken appropriate action to avoid or minimize an overpayment for that month. Any aid received by the family unit during that month is an overpayment.

OR:

(QR) The first month of the next QR Payment Quarter following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the quarter is an overpayment.

(b) Section 42-221.612(b)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The payment month.

.613 Section 42-221.613(MR) shall become inoperative and Section 42-221.613(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the transfer is discovered too late to suspend or discontinue for the corresponding payment month, the POI shall begin in that corresponding payment month and any aid payments received during the POI are overpayments.

(QR) When the transfer is discovered too late to discontinue for the first month of the QR Payment Quarter, the POI shall begin the first of a month within that QR Payment Quarter after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current quarter is an overpayment.

.614 Section 42-221.614(MR) shall become inoperative and Section 42-221.614(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the transfer is in the first or second month of aid, any resulting POI begins in the month the transfer was made. Any aid received during the POI is an overpayment.

(QR) When the transfer is in the first or second month of aid, any resulting POI shall begin the first month of the next QR Payment Quarter and shall continue for the determined number of months.

.7 Section 42-221.7(MR) shall become inoperative and Section 42-221.7(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Transfer of property or income rules do not apply to applicant families.

(QR) Transfer of property rules do not apply to applicant families.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11157.5 (Ch. 270, Stats. of 1997 and Ch. 902, Stats. of 1998), 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

Amend Section 42-302.2 to read:

42-302 60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS (Continued) 42-302

.2 Counting the 60-Month Limit

Section 42-302.2(MR) shall become inoperative and Section 42-302.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Counting the 60-Month Limit

Any month or partial month in which an adult is included in an AU that receives a cash grant, including Reduced Income Supplemental Payments (Section 44-400) and Special Needs, (Section 44-211), shall count for the purposes of the 60-month time limit, except as provided in Sections 42-302.21 (Exempt Months) and 42-302.22 (Diversion Count).

(MR)

Any overpayment month, (an entire month of aid in which the recipient was not entitled to cash aid), that is fully repaid shall not count for the purposes of the 60-month time limit.

(QR) Counting the 60-Month Limit

Any month or partial month in which an adult is included in an AU that receives a cash grant, including Special Needs (see Section 44-211), shall count for the purposes of the 60-month time limit, except as provided in Sections 42-302.21 (Exempt Months) and 42-302.22 (Diversion Count).

(QR)

Any overpayment month, (an entire month of aid in which the recipient was not entitled to cash aid), that is fully repaid shall not count for the purposes of the 60-month time limit.

.21 Exempt Months

(Continued)

(g) Aid is Reimbursed

(Continued)

(1) Process for
Reimbursement of
Months of Aid for
Exemption

(Continued)

(F)

The recipient shall be informed of the exempt months due to child support recoupment pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(I). (Continued)

.3 Requesting Exemptions/Exceptions (Continued)

.33 Documentation of
Exemption/Exception

The county shall first research all available and relevant case records before requesting additional verification from the recipient. Pursuant to MPP Section 40-107(a), the county shall assist the applicant/recipient in obtaining the necessary records to verify the exemption/exception. (Continued)

Authority Cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code.

Reference: Sections 11266.5, 11454, 11454(e) and (e)(5), 11454.5, 11454.5(b) and (b)(4) and (5), and 11495.1, Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); and 42 U.S.C. 608(a)(7)(a), (B) and (D).

Amend Section 42-406.24 to read:

42-406 COUNTY WELFARE DEPARTMENT RESPONSIBILITY (Continued) 42-406

.2 The response to the inquiry shall include, but is not limited to, the following: (Continued)

.24 Section 42-406.24(MR) shall become inoperative and Section 42-406.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) the completion and return of Form CA 7, giving his current employment status, and all other factors normally used to compute the recipient's needs.

(QR) the completion and return of QR 3 or QR 7, giving his current employment status, and all other factors normally used to compute the recipient's needs. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 11265.2, Welfare and Institutions Code.

Amend Section 42-407.1 to read:

42-407 EVIDENCE OF RESIDENCE INTENTION

42-407

.1 Applicant or Recipient Physically Present in State

Section 42-407.1(MR) shall become inoperative and Section 42-407.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The written statement of the applicant or recipient is acceptable to establish his intention and action on establishing residence unless the statement is inconsistent with other statements on the Form CA 2, Form CA 7, or with the conduct of the person or with other information known to the county.

(QR) The written statement of the applicant or recipient is acceptable to establish his intention and action on establishing residence unless the statement is inconsistent with other statements on the SAWS 2, QR 7, or recipient mid-quarter report, or with the conduct of the person or with other information known to the county. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 11265.2, Welfare and Institutions Code; Senate Bill (SB) 991, Chapter 1285, Statutes of 1989; and WRL vs. McMahon, Case No. 268972 (Sacramento Superior Court), October 31, 1990.

Amend Section 42-716.851 to read:

42-716 WELFARE-TO-WORK ACTIVITIES (Continued)

42-716

.8 Grant-based OJT (Continued)

.85 The CWD shall administer grant-based-OJT funded positions in a manner that minimizes any break in income received by the participant as a grant, or as a wage subsidized by the diverted grant and/or grant savings upon entry into, during, or upon exit from the assignment.

.851 Section 42-716.851(MR) shall become inoperative and Section 42-716.851(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Notwithstanding any other provision of Sections 44-313.1(MR) and .2(MR), the AU's monthly aid grant shall be prospectively budgeted as specified in Section 44-313.11(MR) during the grant-based OJT placement. The prospective budgeting period shall begin in the month the participant is expected to receive her/his first grant-based subsidized wages and for the two months after the assignment ends. CWDs shall explain the requirements of prospective budgeting to all OJT participants.

(QR) A grant-based OJT placement may begin mid-quarter. (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 11253.5(b), 11265.1, 11265.2, 11320.3(b)(2), 11322.6, 11322.61, 11322.7, 11322.8, 11322.9(a), (b), (c), (d)(6), (e), and (f), 11324.4, 11325.22(b)(1), 11325.7(a), (c), (d), 11325.8(a), (c), (d), and (f), 11327.5, 11450.5, 11451.5, and 11454(a), Welfare and Institutions Code; and Section 8358(c)(2), Education Code; 7 U.S.C. 2029(a)(1); 7 U.S.C. 2035; U.S. Department of Labor guidance on FLSA, with attached U.S.D.A., Food and Nutrition Service (FNS) guidance on an SFSP, dated May 22, 1997; and Simplified Food Stamp Program approval letters from FNS to implement the provisions of an SFSP, dated May 5, 2000 and August 3, 2000.

Amend Sections 42-721.41 and .48 to read:

42-721 NONCOMPLIANCE WITH PROGRAM REQUIREMENTS (Continued) 42-721

.4 Sanctions

.41 (Continued)

.414 Section 42-721.414(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) A financial sanction is a county-initiated mid-quarter change pursuant to Section 44-316.331(b)(QR). (Continued)

.48 The CWD shall restore aid: (Continued)

.483 Section 42-721.483(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Restoration of aid due to the noncomplying participant performing the activities he or she previously refused to perform, in accordance with Sections 42-721.43 and 44-318.13(QR), is a county-initiated mid-quarter change pursuant to Section 44-316.331(c)(QR). (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 11203, 11265.2, 11320, 11320.31, 11324.8(d), 11327.4, 11327.5(a) through (e), 11327.6, 11327.8, 11327.9, 11328.2, 11333.7, 11454, and 16501.1(d), (e), (f), and (g), Welfare and Institutions Code.

Amend Section 42-751.4(e) to read:

42-751 UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION 42-751
AND ANCILLARY SUPPORT SERVICES (Continued)

.4 Collection of Overpayments (Continued)

(e) Reasonable efforts shall include written notification of the amount of the overpayment and that repayment is required. The following are reasonable cost-effective collection methods: (Continued)

(4) Section 42-751.4(e)(4)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Recoupment by grant adjustment shall be conducted in accordance with Section 44-352.41(QR). (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10063, 11004(g), (h), (i), (k), and (l), 11265.2, and 11323.4(b), Welfare and Institutions Code.

Amend Section 42-769 to read:

42-769 APPLICATION OF BONUSES AND SANCTIONS (Continued)

42-769

.4 Treatment of Bonuses and Sanctions in Other Calculations

Section 42-769.4(MR) shall become inoperative and Section 42-769.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall not include a Cal-Learn bonus or sanction in the calculation of an overpayment adjustment, a homeless assistance payment, or a reduced income supplement payment.

(QR) The county shall not include a Cal-Learn bonus or sanction in the calculation of an overpayment adjustment or a homeless assistance payment.

.5 Section 42-769.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Treatment of Bonuses and Sanctions as County-Initiated Mid-Quarter Actions

(QR) Cal-Learn bonuses and sanctions are considered county-initiated mid-quarter actions as described in Section 44-316.33(QR).

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063, 11265.2, and 11333.7, (a) and (d), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 250.40(a); Federal Waiver Terms and Conditions for the California Work Pays Demonstration Project, March 1994, and Waiver Authority for the California Work Pays Demonstration Project as transmitted by the United States Department of Health and Human Services Administration for Children and Families letter dated March 1, 1994.

- 1) Amend Section 44-101 to read:
- 2) Amend Section 44-101(m)(1)(QR) to read:

44-101 INCOME DEFINITIONS

44-101

- (a) Section 44-101(a)(MR) shall become inoperative and Section 44-101(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income, generally, is any benefit in cash or in kind which is in fact currently available to the individual or is received by him as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must, in fact, be currently available to needy members of the family in meeting their needs during the budget period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

(QR) Income, generally, is any benefit in cash or in kind which is reasonably anticipated to be available to the individual or is received by him as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the QR Payment Quarter. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

- (b) Separate and Community Income (Continued)

- (1) Separate income is: (Continued)

(A) (Continued)

(B) (Continued)

(C) (Continued)

- (D) Section 44-101(b)(1)(D)(MR) shall become inoperative and Section 44-101(b)(1)(D)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt.

(QR) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(QR).

(2) Community income is: (Continued)

(A) (Continued)

(B) Income resulting from employment or military service performed during the marriage and not under the situation described in (b)(1)(C) above.

(C) Section 44-101(b)(2)(C)(MR) shall become inoperative and Section 44-101(b)(2)(C)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D) and Sections 42-203.431 through .434.

(QR) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D)(QR), 42-203.5, and 42-205.3. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(QR).

(c) Section 44-101(c)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Reasonably Anticipated Income

(QR) (1) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of income during any month of the QR Payment Quarter. This definition applies to both earned and unearned income. See Section 44-315.31(QR).

(d) (Continued)

(1) (Continued)

(e) (Continued)

(1) (Continued)

(2) (Continued)

(A) (Continued)

(B) (Continued)

(C) (Continued)

(D) (Continued)

(E) (Continued)

(F) (Continued)

(3) (Continued)

(A) (Continued)

(B) Benefits (excluding those specified in Section 44-101(e)(1)) accruing as compensation, or reward for service, or as compensation for lack of employment (for example, pensions and benefits, such as veterans benefits).

(C) (Continued)

(D) (Continued)

(E) (Continued)

(f) (Continued)

(1) (Continued)

(A) (Continued)

(B) (Continued)

1. (Continued)

2. (Continued)

(C) (Continued)

(D) (Continued)

(g) (Continued)

(h) (Continued)

(i) (Continued)

(j) (Continued)

(k) (Continued)

(l) Lump Sum Income

Section 44-101(l)(MR) shall become inoperative and Section 44-101(l)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Lump sum income is any income received by an AU which is not recurring regular income. Lump sum income is usually nonrecurring in regard to amount and/or source. Lump sum income includes but is not limited to the following: retroactive social insurance payments, real estate commissions such as from sales, income from freelance work, net proceeds from sale of a crop and bonuses.

(QR) (1) Lump sum nonrecurring payments are considered property under the quarterly reporting/prospective budgeting system (see Section 42-209.2(QR)).

(m) Section 44-101(m)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Income Reporting Threshold (IRT)

(QR) (1) The level of income that triggers the need for a CalWORKs AU to report a mid-quarter change in income.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11450.5, and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; Federal Action Transmittal ACF-AT-94-12; 45 CFR 233.20(a)(6)(iii); 45 CFR 233.20(a)(6)(v)(B); Sallis v. McMahon, Sacramento County Superior Court, case no. 364308, January 30, 1991 and 45 CFR 233.20(a)(3)(iv)(B) and (a)(4)(ii)(d).

Amend Section 44-102 to read:

44-102 AVAILABILITY OF INCOME

44-102

- .1 Section 44-102.1(MR) shall become inoperative and Section 44-102.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) All income shall be considered currently available during the month received, except:

(QR) All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the QR Payment Quarter and shall be considered when determining eligibility and grant amount, except:

.11 (Continued)

.12 (Continued)

.13 (Continued)

- .14 Section 44-102.14(MR) shall become inoperative and Section 44-102.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS -
Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment was intended, rather than actually received, when the income meets the following criteria:

(QR) MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS -
Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(QR)), when the income meets the following criteria:

.141 (Continued)

.142 (Continued)

.143 (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11157 (Ch. 270, Stats. 1997), 11265.2, and 11450.5, Welfare and Institutions Code.

Amend Sections 44-111.2 and .472 to read:

44-111 PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION 44-111
AS INCOME (Continued)

.2 Exemption of Earned Income

(See Section 44-101(e) for the definition of earned income.)

.21 (Continued)

.4 Exclusions or Exemptions of Other Payments and Income (Continued)

.47 Child/Spousal Support Disregard (Continued)

.472 Section 44-111.472(MR) shall become inoperative and Section 44-111.472(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a current child/spousal support payment is directly received by the assistance unit from the absent parent, the first \$50 of such payment is disregarded and the balance of the support payment is considered income to the assistance unit.

(QR) When a current child/spousal support payment is received or reasonably anticipated to be received by the assistance unit directly from the absent parent, the first \$50 of such payment is disregarded and the balance of the support payment is considered income to the AU. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11008.15, 11265.2, 11280, 11322.6(f)(3), 11157 (Chapter 439, Statutes of 2002), 11450.5, 11450.12, 11451.5, and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1.

Amend Section 44-113 to read:

44-113 NET INCOME (Continued)

44-113

.2 Earnings

.21 Computation of Net Nonexempt Earned Income for CalWORKs

To determine the amount of Net Nonexempt Earned Income for the month, the following steps shall be taken:

.211 Section 44-113.211(MR) shall become inoperative and Section 44-113.211(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determine the total amount of commissions, wages or salary earned as an employee during or applicable to the month (i.e., total income irrespective of expenses, voluntary or involuntary deductions). To determine total earnings for the month, some earnings may have to be allocated to the month pursuant to Section 44-102. Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

(QR) Determine the total amount of commissions, wages or salary earned as an employee that the AU reasonably anticipates receiving (see Section 44-101(c)(1)(QR)) during each month of the QR Payment Quarter (i.e., total income irrespective of expenses, voluntary or involuntary deductions). To determine total earnings for each month, some earnings may have to be allocated to each month pursuant to Section 44-102. Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

.212 Section 44-113.212(MR) shall become inoperative and Section 44-113.212(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determine the total profit earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the business expenses against the gross income from self-employment. When the computation of total profit earned from self-employment disclosed shows that a loss has occurred, earned income from self-employment shall be zero. No additional offset shall be allowed against the family's other income.

(QR) Determine the total profit reasonably anticipated to be earned from self-employment during each month of the QR Payment Quarter by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the reasonably anticipated monthly business expenses against the reasonably anticipated monthly gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income.

(a) The applicant or recipient who is self-employed shall choose one of the following deductions:

(1) 40 percent of gross self-employed income, or

(2) Section 44-113.212(a)(2)(MR) shall become inoperative and Section 44-113.212(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) verified actual self-employment expenses to the same extent allowed in the Food Stamp Program (Section 63-503.41).

(QR) reasonably anticipated self-employment expenses to the same extent allowed in the Food Stamp Program (Section 63-503.41).

(b) (Continued)

.213 Section 44-113.213(MR) shall become inoperative and Section 44-113.213(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Combine the total earnings for the family determined in Section 44-113.211(MR) with any net self-employment income determined in Section 44-113.212(MR).

(QR) Combine the total monthly earnings for the family determined in Section 44-113.211(QR) with the monthly net self-employment income determined in Section 44-113.212(QR).

.214 Section 44-113.214(MR) shall become inoperative and Section 44-113.214(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Apply, as specified in Section 44-111.23, the \$225 disregard to any disability-based unearned income for the family.

(QR) Apply, as specified in Section 44-111.23, the \$225 disregard to the reasonably anticipated total monthly disability-based unearned income for the family.

.215 Section 44-113.215(MR) shall become inoperative and Section 44-113.215(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Apply any remainder of the \$225 disregard to any earned income for the family determined in Section 44-113.213(MR).

(QR) Apply any remainder of the \$225 disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(QR). (Continued)

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.22 Section 44-113.22(MR) shall become inoperative and Section 44-113.22(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of 3 (a recipient and two children) has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

\$ 775	Earned Income
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>-275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income

(QR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) has gross monthly earned income of \$775 per month, with no other income. The monthly income is reasonably anticipated to continue at the same amount for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Earned Income
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income

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.3 Net Income from Social Security, Railroad Retirement Benefits and Other Pensions

.31 Section 44-113.31(MR) shall become inoperative and Section 44-113.31(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Net income from Social Security or from Railroad Retirement Benefits is the actual amount paid to or on behalf of a member of the assistance unit except:

(QR) Net income from Social Security or from Railroad Retirement Benefits is the amount reasonably anticipated to be paid to or on behalf of a member of the assistance unit in the QR Payment Quarter except: (Continued)

.32 Section 44-113.32(MR) shall become inoperative and Section 44-113.32(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Net income from other types of pensions and similar sources is the amount received or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

(QR) Net income from other types of pensions and similar sources is the amount reasonably anticipated to be received in the QR Payment Quarter or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

.4 Unrelated Adults, Including Unrelated Adult Males, Living in the Home

.41 Net income to the Family Budget Unit (FBU) from an unrelated adult living in the home including an Unrelated Adult Male (UAM) is the sum of:

.411 Section 44-113.411(MR) shall become inoperative and Section 44-113.411(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) cash given to the FBU which is available to meet the needs of the FBU and;

(QR) cash reasonably anticipated to be given to the AU in the QR Payment Quarter which is available to meet the needs of the AU and:

.412 Section 44-113.412(MR) shall become inoperative and Section 44-113.412(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) the value of full items of need provided in-kind to the FBU. An item is not considered to be provided in-kind to the FBU if the FBU is receiving this full item of need in exchange for the FBU providing the UAM with a different item. For example, if a UAM and AFDC mother agree that he will pay the rent if she pays their food and utilities, the FBU is not receiving in-kind income for housing.

(QR) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the QR Payment Quarter. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

.42 Section 44-113.42(MR) shall become inoperative and Section 44-113.42(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Cash given to the FBU which is available to meet the needs of the FBU does not include.

(QR) Cash that is reasonably anticipated to be given to the AU in the QR Payment Quarter does not include:

.421 (Continued)

.422 (Continued)

.423 (Continued)

.424 (Continued)

.43 (Continued)

.44 (Continued)

.5 Section 44-113.5(MR) shall become inoperative and Section 44-113.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Child/spousal support which is paid to the AU by the absent parent and not forwarded to the county or which is collected by the county and paid to the AU pursuant to Section 82-520.4 shall be considered available income when received except as specified in Section 44-111.47.

(QR) Child/spousal support which is reasonably anticipated to be paid during the QR Payment Quarter to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

.6 Refunds of Retirement Contributions

.61 Section 44-113.61(MR) shall become inoperative and Section 44-113.61(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Lump-sum refunds of the employer's share of retirement contributions shall be considered net unearned income in the month received.

(QR) Nonrecurring lump sum refunds of the employer's share of retirement contributions shall be treated as property (see Section 42-209.2(QR)). (Continued)

.62 Section 44-113.62(MR) shall become inoperative and Section 44-113.62(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The interest earned on accumulated retirement contributions shall be treated as income in the month received.

(QR) Recurring interest earned on accumulated retirement contributions shall be treated as income in the month it is reasonably anticipated to be received. If the interest payment is nonrecurring, it shall be treated as property (see Section 42-209.2(QR)).

.7 Death Benefits (Continued)

.8 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

Section 44-113.8(MR) shall become inoperative and Section 44-113.8(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property is income. (See Section 44-207.4.)

(QR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property and is recurring in nature is income. If that portion of the payment that is to be received is nonrecurring it shall be treated as property (see Section 42-209.2(QR)).
(Continued)

.81 (Continued)

.82 (Continued)

.83 (Continued)

.84 (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063 (Ch. 270, Stats. 1997), 10553, 10554, 10790, 10791, 11008, 11008.19, 11155.3 (Ch. 270, Stats. 1997), 11157 (Ch. 270, Stats. 1997), 11265.1, 11265.2, 11265.3, 11450.5, 11450.12 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

Amend Section 44-115 to read:

44-115 EVALUATION OF INCOME IN-KIND (Continued)

44-115

.1 Free Board and Lodging Received During Temporary Absence from Home

.11 Absence One Month or Less

Section 44-115.11(MR) shall become inoperative and Section 44-115.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The value of free board and lodging received by a recipient during a temporary absence from his home of not more than one calendar month shall be exempt.

(QR) The value of free board and lodging reasonably anticipated to be received by a recipient during a temporary absence from his/her home of not more than one calendar month shall be exempt.

.12 Absence Exceeds One Month

Section 44-115.12(MR) shall become inoperative and Section 44-115.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities, shall be considered income but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (W&IC 11009.1.)

(QR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the QR Payment Quarter, shall be considered income, but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (Welfare and Institutions Code Section 11009.1.)

.2 Nonneedy Relatives

.21 Evaluation of Income In Kind from Nonneedy Relatives Other Than Natural or Adoptive Parents

Section 44-115.21(MR) shall become inoperative and Section 44-115.21(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income in kind will only be considered if the nonneedy relative chooses to make a voluntary contribution to the FBU. The county shall determine if the nonneedy relative wishes to contribute income in kind to the support of the child(ren) in his/her care. If he/she does so, the amount of a contribution actually received shall be determined in accordance with Section 44-115.3, In-kind Income Values, and be considered net income to the FBU.

(QR) Income in kind will only be considered if the nonneedy relative chooses to make a voluntary contribution to the AU. The county shall determine if the nonneedy relative wishes to contribute income in kind to the support of the child(ren) in his/her care. If he/she does so, the amount of a contribution reasonably anticipated to be received shall be determined in accordance with Section 44-115.3, In-kind Income Values, and be considered net income to the AU. (Continued)

.3 (Continued)

.32 Section 44-115.32(MR) shall become inoperative and Section 44-115.32(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the applicant or recipient does not agree with the value arrived at in .31 above, he/she may submit evidence of the value of the item which he/she received in kind. For housing and clothing, the in-kind income shall be the net market value (see Section 42-203.7) of the item received. For utilities and food, the in-kind income value shall be the cost to the person who paid for the item.

If the applicant or recipient presents satisfactory evidence that the value of the item received in kind is other than the value specified in .31 above, such evidence shall be used by the county in determining the value of the item if it is to the recipient's financial advantage. Recipients who are having in-kind income deducted from their grants should be informed that this method of contesting the values established in .31 above exists.

(QR) If the applicant or recipient does not agree with the value arrived at in Section 44-115.31, he/she may submit evidence of the value of the in-kind income item which he/she receives or reasonably anticipates receiving. For housing and clothing, the in-kind income shall be the net market value (see Section 42-203.7) of the item reasonably anticipated to be received. For utilities and food, the in-kind income value shall be the cost to the person who will pay for the item.

If the applicant or recipient presents satisfactory evidence that the value of the item reasonably anticipated to be received in kind is other than the value specified in Section 44-115.31, such evidence shall be used by the county in determining the value of the item if it is to the recipient's financial advantage. Recipients who are having in-kind income deducted from their grants should be informed that this method of contesting the values established in Section 44-115.31 exists. (Continued)

Authority Cited: Sections 10553, 10554, 11450, 11452.018, and 11453, Welfare and Institutions Code.

Reference: Sections 11265.8, 11253.5, 11265.2, 11450, 11450.015, 11450.4(c), 11450.5, 11452, 11452.018, 11453, and 11486, Welfare and Institutions Code; and Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992.

- 1) Amend Handbook Section 44-133.54 to read:
- 2) Delete Handbook Section 44-133.54 Example 4(QR) to read:

44-133 TREATMENT OF INCOME -- CALWORKS (Continued)

44-133

.5 Income and Needs in Cases in Which a Person is Excluded (Continued)

HANDBOOK BEGINS HERE

.54 (Continued)

Handbook Section 44-133.54(MR), Examples 2 and 3, shall become inoperative and Handbook Section 44-133.54(QR), Examples 2, 3, and 4 shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 2: Family with Ineligible Alien Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month. One of the children is her citizen child and the other is her ineligible alien child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible alien child. Also in the home is the ineligible alien spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
+ 85	Unearned Income of Ineligible Alien Child
\$ 595	Total Net Nonexempt Income
 \$ 595	 Less than the \$920 Region 1 Nonexempt Family MBSAC for Four. (Family passes Applicant Test.)

Recipient Financial Eligibility Test

\$ 600	Earned Income of Mother
- 225	Income Disregard
\$ 375	Subtotal
- 187.50	50% Earned Income Disregard
\$ 187	Net Nonexempt Earned Income
+ 85	Unearned Income of Ineligible Alien Child
\$ 272	Total Net Nonexempt Income (Rounded Down)
\$ 272	Less than \$728 Region 1, Nonexempt Family MAP for Four. (Family passes Financial Eligibility Test.)

Grant Computation

\$ 728	Region 1, Nonexempt Family MAP for Four
- 272	Total Net Nonexempt Income
\$ 456	Potential Grant
\$ 493	MAP for AU of Two (Includes Mother and Citizen Child)
\$ 456	Aid Payment is the Lesser of the Potential Grant or MAP for the AU.

(QR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the QR Payment Quarter. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income
\$ 595	Less than the \$1,008 Region 1 Nonexempt Family MBSAC for Four (family passes applicant test)

Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
- 225	Income Disregard
\$ 375	Subtotal
- 187.50	50% Earned Income Disregard
\$ 187	Net Nonexempt Earned Income
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 272	Total Net Nonexempt Income (rounded down)
\$ 272	Less than \$839 Region 1, Nonexempt Family MAP for Four (family passes financial eligibility test)

Grant Computation

\$ 839	Region 1, Nonexempt Family MAP for Four
- 272	Total Net Nonexempt Income
\$ 567	Potential Grant
\$ 568	MAP for AU of Two (includes mother and citizen child)
\$ 567	Aid Payment is the Lesser of the Potential Grant or MAP for the AU

(MR) Example 3: Family with Ineligible Alien Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has \$600 gross earnings. Also living in the home is: 1) the ineligible alien spouse of the aided parent; 2) the aided mother's ineligible alien child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible alien child of the spouse. The spouse has \$375 earned income. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$975	Family's Gross Earned Income
	-225	\$225 Income Disregard
	\$750	Subtotal
	-375	50% Earned Income Disregard
	\$375	Net Earned Income
	\$375	Total Family Net Nonexempt Income

Step 2	\$931	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	<u>-375</u>	Total Family Net Nonexempt Income
	\$556	Potential Grant
Step 3	\$493	AU MAP for Two
	\$556	Potential Grant
	\$493	Aid Payment (Lesser of AU MAP or Potential Grant)

(QR) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the QR Payment Quarter. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the QR Payment Quarter. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income
	<u>- 225</u>	\$225 Income Disregard
	\$ 750	Subtotal
	<u>- 375</u>	50% Earned Income Disregard
	<u>\$ 375</u>	Net Earned Income
	\$ 375	Total Family Net Nonexempt Income
Step 2	\$1,072	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	<u>- 375</u>	Total Family Net Nonexempt Income
	\$ 697	Potential Grant

Step 3	\$568	AU MAP for Two
	\$697	Potential Grant
	\$568	Aid Payment (lesser of AU MAP or potential grant)

(QR) Example 4:

~~A mother and two children are in the April, May, June quarter. Mother submits the QR 7 due in June, which indicates that Mother will lose her job August 15. The AU anticipates in July she will receive \$300 for one pay period, and \$400 for the next pay period. She anticipates in August that she will receive a final check of \$200. She doesn't anticipate any income for September. The AU is nonexempt living in Region 1.~~

~~Monthly Income Computation~~

\$700	July Monthly Income
\$200	August Monthly Income
\$ 0	September Monthly Income
\$900	

\$300	\$900 Divided by Three (the number of months in the QR Payment Quarter)
------------------	--

~~Eligibility/Grant Computation~~

Step 1	\$300	Family's Monthly Average Earned Income
	<u>-225</u>	\$225 Income Disregard
	\$ 75	Subtotal
	<u>-37.5</u>	50% Earned Income Disregard
	\$ 37.5	Net Earned Income
	\$ 37	Total Family Net Nonexempt Income (rounded)
Step 2	\$563	Family MAP for Three
	<u>-37</u>	Total Family Net Nonexempt Income
	\$526	Aid Payment

HANDBOOK ENDS HERE

.55 (Continued)

Authority Cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code.

Reference: Sections 10063, 10553, 10554, 10604, 11008.14, 11254, 11320.15, 11450, 11452, 11453, 11486, 18937, 18940, and 11371, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993; 8 U.S.C. 1631; and 42 U.S.C. 602(a)(39).

- 1) Amend Section 44-205 to read:
- 2) Amend Section 44-205.122(a)(QR) to read:

44-205 ESTABLISHING THE AU

44-205

.1 Aid Based on Pregnancy

.11 (Continued)

.12 The application for aid based on pregnancy and/or the application for the pregnancy special need is considered an application for the "family". In addition to the pregnant woman, the family includes the following:

.121 The unborn, when born and living with the mother.

(a) Section 44-205.121(a)(MR) shall become inoperative and Section 44-205.121(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) The otherwise eligible newborn shall be added to the assistance unit effective the date the newborn joins the assistance unit and meets the conditions of eligibility.

(QR) The otherwise eligible newborn shall be added to the assistance unit effective the first of the month following the month in which the birth was reported if it results in an increase in cash aid and all conditions of eligibility have been met and verification has been provided.

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Handbook Section 44-205.121(a)(MR) shall become inoperative and Handbook Section 44-205.121(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) In most cases the effective date of including the needs of the newborn will be the date of birth.

(QR) In most cases, the effective date of including the needs of the newborn will be the first of the month following the month in which the birth was reported.

HANDBOOK ENDS HERE

.122 (Continued)

(a) Section 44-205.122(a)(MR) shall become inoperative and Section 44-205.122(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The unaided father shall be added to the assistance unit effective the date the father meets all eligibility requirements, on or after the date the child is born.

(QR) The unaided father shall be added to the AU effective the first of the month following the month in which the birth was reported if adding him results in an increase to cash aid and all conditions of eligibility have been met and verification has been provided. If adding him results in a decrease, the father shall be added to the AU in the following quarter, if all conditions of eligibility have been met and verification provided, pursuant to Section 44-318.16(QR)). (Continued)

.7 Section 44-205.7(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Separate FBU

(MR).71 A separate FBU for an otherwise eligible person(s) whose needs were not considered in the lump-sum computation may be established when the existing FBU is in the period of ineligibility resulting from receipt of lump-sum income. (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 42 USC 602(a)(19)(G)(i)(I); 54 FR 42172 (October 13, 1989); 45 CFR 206.10(a)(1)(vii) and 250.34(c)(3); Federal Action Transmittal SSA-AT-86-01, Sections 10553, 10554, 10604, 11265.1, 11265.2, 11265.3, 11327.5(c)(3), 11450(b), and 11450.5, Welfare and Institutions Code; and Simon v. McMahon, Stipulation for Dismissal and Order, April 21, 1989, Contra Costa Superior Court, No. 272468.

Amend Section 44-207 to read:

44-207 INCOME ELIGIBILITY (Continued)

44-207

.2 The following financial eligibility test shall be applied to both applicant and recipient cases.

.21 Section 44-207.21(MR) shall become inoperative and Section 44-207.21(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) The AU is financially eligible for any month in which on the first of the month the combined actual or estimated net nonexempt income, after the income and needs of the family are considered (pursuant to Sections 44-133 and 44-315.3), is less than the Maximum Aid Payment (MAP) for the AU.

(QR) The AU is financially eligible as follows:

(QR) .211 An AU is financially eligible for the QR Payment Quarter if the family's combined reasonably anticipated monthly net non-exempt income for the quarter, after the income and needs of the family are considered (pursuant to Sections 44-133(QR) and 44-315.3(QR)), is less than the MAP for the AU.

(QR) .212 A recipient AU will remain financially eligible during the QR Payment Quarter if the family's combined monthly net non-exempt income does not exceed the family's MAP level for more than one month of the QR Payment Quarter in accordance with Section 44-316.324(QR). (Continued)

.23 Section 44-207.23(MR) shall become inoperative and Section 44-207.23(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Financial eligibility shall be determined on the basis of actual net nonexempt income or a reasonable estimate of net nonexempt income expected to be received during the month. Such an estimate must be based on all relevant information available to the county and the recipient. To determine financial eligibility in a retrospectively budgeted month, estimated income shall not include the anticipated receipt of a regular and periodic extra paycheck. An Assistance Unit which received aid for a month based on a reasonable estimate of net nonexempt income shall not later be considered financially ineligible if actual net nonexempt income exceeds the estimate.

(QR) Once financial eligibility is established for the QR Payment Quarter, financial eligibility continues for the AU for the entire QR Payment Quarter unless the family's income exceeds the IRT (see Section 44-316.324(QR)) and the family's reasonably anticipated monthly income for the remainder of the QR Payment Quarter exceeds the MAP for the AU.

.24 Section 44-207.24(MR) shall become inoperative and Section 44-207.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If aid is discontinued because estimated net nonexempt income is expected to result in financial ineligibility and this amount of income is not actually received, the county shall rescind the discontinuance and issue the correct grant.

(QR) If aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the QR Payment Quarter and the AU reports that the monthly reasonably anticipated income will no longer exceed the MAP amount for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.

.25 (Continued)

.3 Section 44-207.3(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Treatment of Lump Sum Income

(MR) This section sets forth the methods used for treating lump sum income.

(MR).31 Lump sum income received by any person whose income would be used in computing eligibility and grant shall be regarded as income in the month received and then regarded as property in subsequent months. (See Section 42-211.)

Authority Cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11017, 11157 (Ch. 270, Stats. 1997), 11255, 11265.1, 11265.2, 11265.3, 11280, 11450.5, 11450.12 (Ch. 270, Stats. 1997), 11450.13 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; 45 CFR 206.10(a)(1)(vii); 45 CFR 233.20(a)(2)(i) and (xiii); (a)(3)(ii)(F), (a)(3)(vi)(B), (a)(3)(xiv), and (a)(3)(xiv)(B); and Darces v. Woods (1984) 35 Cal. 3d 871; Petrin v. Carlson Court Order, Case No. 638381, May 12, 1993; Rutan v. McMahon, Case No. 612542-L (Alameda Superior Court) February 19, 1988; Letter from Department of Health and Human Services (DHSS), December 5, 1990; Johnson v. Carlson Stipulated Judgement; Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. ACF-AT-95-10 dated September 19, 1995; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

- 1) Amend Sections 44-211.11, .2, .631, .632, .633, and .641 to read:
- 2) Amend Sections 44-211.1 (QR), 631(QR), and .641(QR) to read:

44-211 SPECIAL NEEDS IN CALWORKS

44-211

.1 General

.11 Section 44-211.11(MR) shall become inoperative and Section 44-211.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs.

(QR) A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs. See Section 44-316.3142(d)(QR). (Continued)

.2 Recurring Special Needs

Section 44-211.2(MR) shall become inoperative and Section 44-211.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.

(MR) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified monthly on the CA 7 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need must be resubstantiated at least annually upon redetermination of eligibility and may be required more often considering the type of need and potential for change.

- (MR) The total allowance which is available for each FBU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the FBU.
- (QR) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.
- (QR) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified quarterly on the QR 7 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need must be resubstantiated at least annually upon redetermination of eligibility and may be required more often considering the type of need and potential for change.
- (QR) The total allowance which is available for each AU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the AU. (Continued)

.6 Pregnancy Special Needs (Continued)

.63 Eligible Applicants

.631 Section 44-211.631(MR) shall become inoperative and Section 44-211.631(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A pregnant woman with no eligible children who has applied for CalWORKs, is in her third trimester, and is eligible to receive CalWORKs shall be entitled to receive the pregnancy special need payment from the date of application through the month of birth.

(QR) A pregnant woman with no eligible children who has applied for CalWORKs, is in her third trimester, and is eligible to receive CalWORKs shall be entitled to receive the pregnancy special need payment from the date of application through the end of the quarter in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-quarter, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Sections 44-316.3142(d)(QR) and 44-318.15(QR)).

.632 Section 44-211.632(MR) shall become inoperative and Section 44-211.632(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A pregnant teen with no other eligible children in an AU of one who is under the age of 19, has not obtained a high school diploma or its equivalent and is otherwise eligible to receive CalWORKs, shall receive the pregnancy special need payment from the date of application through the month of birth.

(QR) A pregnant teen with no other eligible children in an AU of one who is under the age of 19, has not obtained a high school diploma or its equivalent and is otherwise eligible to receive CalWORKs, shall receive the pregnancy special need payment from the date of application through the end of the quarter in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-quarter, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.314(QR)).

.633 Section 44-211.633(MR) shall become inoperative and Section 44-211.633(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A pregnant woman who has applied for CalWORKs as part of an assistance unit with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the month of birth.

(QR) A pregnant woman who has applied for CalWORKs as part of an AU with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the end of the quarter in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-quarter, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.314(QR)).

.64 Eligible Recipients

.641 Section 44-211.641(MR) shall become inoperative and Section 44-211.641(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The pregnancy special need payment for a pregnant woman who is receiving CalWORKs in an assistance unit with eligible persons shall be granted from the first of the month in which the county received the medical verification through the month of birth.

(QR) The pregnancy special need payment for a pregnant woman who is receiving CalWORKs in an AU with eligible persons shall be granted from the month of the request continuing through the end of the quarter in which the child is expected to be born or the end of the month prior to the newborn being added to the AU, pursuant to Section 44-318.15(QR), once required verification has been provided.

.642 Section 44-211.642(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) The recipient is only required to verify pregnancy initially (when the pregnancy is reported) and when the pregnancy continues beyond the originally estimated date of birth.

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.65 (Continued)

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Authority Cited: Sections 10553, 10554, 11209, and 11450(g), Welfare and Institutions Code; and Statutes of 1995, Chapter 307, Section 24 (AB 908).

Reference: Sections 11056, 11265.1, 11265.2, 11265.3, 11266(a)(2), 11271, 11272, 11273, and 11273(b), 11450(a)(1), (b), and (c), 11450(f)(2)(A)(i), 11450(f)(2)(C), 11450(f)(2)(E)(i), (ii) and (iii), 11450.5, 11452.018(a), and 11453.2, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(ii), 45 CFR 206.10(a)(8), 45 CFR 233.10(a)(1)(iv), 45 CFR 233.20(a)(2)(v)(A), 45 CFR 234.11, 45 CFR 234.60, and 45 CFR 234.60(a)(2)-(11); and 42 U.S.C.A., Section 606(b).

Amend Sections 44-304.511, .512, and .52 to read:

44-304 AID PAYMENT SCHEDULES (Continued)

44-304

.5 Standard Delivery Dates

.51 Semimonthly Delivery

The county shall deliver ongoing payments as follows when the county has selected semimonthly delivery:

.511 First Warrant

Section 44-304.511(MR) shall become inoperative and Section 44-304.511(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first day of the payment month unless the county received the completed CW 7 after the tenth day prior to the end of the report month.

(MR)

If the completed CW 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant the mail If the completed CW 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the payment month if possible, but not later than the tenth calendar day of the payment month.

(QR) First Warrant

The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the QR Payment Quarter unless the county received the completed QR 7 after the tenth day prior to the end of the QR Submit Month.

If the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month, but on or before the first day of the next QR Payment Quarter, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next QR Payment Quarter if possible, but no later than the tenth calendar day of the first month of the next QR Payment Quarter.

.512 Second Warrant

Section 44-304.512(MR) shall become inoperative and Section 44-304.512(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the 15th calendar day of the payment month.

(QR)

The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by no later than the 15th calendar day of each month of the QR Payment Quarter.

.52 Monthly Delivery

Section 44-304.52(MR) shall become inoperative and Section 44-304.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the payment month unless the completed CW 7 is received after the tenth day prior to the end of the report month.

(MR)

If the completed CW 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be received by the first day of the payment month if possible, but not later than the tenth day of the payment month.

(QR)

The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of each month of the QR Payment Quarter unless the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month.

(QR)

If the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month, but on or before the first day of the next QR Payment Quarter, the county shall not delay the payment and shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be received by the first day of the first month of the next QR Payment Quarter if possible, but not later than the tenth day of the first month of the next QR Payment Quarter.
(Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063(a), 10072, 10553, 10554, 11006.2, 11251.3, 11265.1, 11453.2, 11455 and 17012.5, Welfare and Institutions Code; 45 CFR 206.10(a)(6)(D); 45 CFR 233.23; 45 CFR 233.29(a)-(d); 45 CFR 233.31(b)(4); 45 CFR 233.32; and Balderas v. Woods Court Order.

Amend Section 44-305.231 to read:

44-305 AID PAYMENTS - PAYEE AND DELIVERY (Continued)

44-305

.2 Alternate Payment System (Continued)

.23 Aid payments to CalWORKs families residing in counties with approved semimonthly alternate payment systems shall be made in two installments during the payment period as follows:

.231 Section 44-305.231(MR) shall become inoperative and Section 44-305.231(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of the assigned payment period, unless the county received the completed CW 7 after the tenth day prior to the end of the assigned report period. If the CW 7 is received after the tenth day prior to the end of the assigned report period, but on or before the first day of the assigned payment period, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the assigned payment period if possible, but not later than the tenth day of the assigned period.

(QR) The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the assigned QR Payment Quarter, unless the county received the completed QR 7 after the tenth day prior to the end of the assigned QR Submit Month. If the QR 7 is received after the tenth day prior to the end of the assigned QR Submit Month, but on or before the first day of the next assigned QR Payment Quarter, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the next assigned QR Payment Quarter if possible, but not later than the tenth day of the first month of the next assigned QR Payment Quarter.
(Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063(a), 11006.2, 11254, and 11256.1, Welfare and Institutions Code; 45 CFR 233.29, 45 CFR 233.31(b)(4) and 45 CFR 233.32.

- 1) Amend Section 44-313 to read:
- 2) Amend Sections 44-313.11(QR) et seq. and .41(QR) to read:

44-313 BUDGETING METHODS FOR AFDC-FG/U

44-313

Section 44-313(MR), Introductory Paragraphs, shall become inoperative and Section 44-313(QR), Introductory Paragraphs, shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Budgeting is the activity used to compute the aid payment for a month for which eligibility exists (known as the payment month) using net nonexempt income, see Chapter 44-100, received in a corresponding month (known as the budget month). The two types of budgeting methods are prospective and retrospective. Under prospective budgeting, the budget month and the payment month are the same month. Under retrospective budgeting, the budget month is the second month prior to the payment month.

(MR) Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility, see Section 44-207, are considered on a prospective basis.

(MR) This section defines prospective and retrospective budgeting and specifies the appropriate method for various situations.

(MR) For the appropriate budgeting method to be used when an individual is added to or deleted from an existing assistance unit, see Section 44-313.4.

(QR) Budgeting is the activity used to compute the aid payments for a QR Payment Quarter for which eligibility exists using net nonexempt income, (see Chapter 44-100) that is reasonably anticipated to be received in the QR Payment Quarter. The budgeting method used is prospective budgeting.

(QR) Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility (see Section 44-207 and 44-316.324(QR)), are considered on a prospective basis.

.1 Prospective Budgeting

.11 Section 44-313.11(MR) shall become inoperative and Section 44-313.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Prospective budgeting is the method of computing an aid payment for a month using an estimate of the income reasonably expected to be received in that month. The estimate shall be based on the county's knowledge of past and current income and reasonable expectation of future income.

(QR) Prospective budgeting is the method of computing an aid payment for a QR Payment Quarter using ~~an estimate of the income that is~~ reasonably anticipated to be received in that quarter (see Section 44-315.31(QR)) except for those mid-quarter changes where actual income is used as specified in Section 44-316.311(QR).

.111 Section 44-313.111(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Income from the QR Data Month, anticipated changes in income from the QR 7 and mid-quarter income changes as specified in Section 44-316 shall be considered when determining eligibility and cash aid for a QR Payment Quarter. Documentation shall be entered in the case that explains how income was projected in determining cash aid calculations. Case narrative entries shall include, but are not limited to, the following:

- (a) Income the recipient reports that he/she expects to receive in the QR Payment Quarter.
- (b) Whether reasonably anticipated income will be different than income that the recipient reported receiving for the QR Data Month as reported on the QR 7.
- (c) Documentation of the reasons for not accepting the recipient's reasonably anticipated income if the information is questionable.
- (d) Other information used to determine what income will be used in the cash aid calculations (verifications, employers' statements, case history, etc.) if the recipient's reasonably anticipated income is not used.

.12 Prospective budgeting shall be used to compute:

.121 Section 44-313.121(MR) shall become inoperative and Section 44-313.121(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The grant for the first and second months that AFDC is granted following a new application or reapplication, see Sections 40-103.41 and .43.

(MR) Example:

If the first month of aid is October, the aid payments for October and November are computed using estimates of income reasonably expected to be received in October and November.

(QR) The CalWORKs grant for each month in a QR Payment Quarter.

.122 Section 44-313.122(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The grant for the first and second payment months of AFDC when aid is restored (see Section 40-103.42) following a break in aid of one calendar month or more.

.123 Section 44-313.123(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When aid is restored following a suspension, see Section 44-315.6.

(MR) Example:

If aid is discontinued March 31, and aid is restored to be effective anytime in May, the aid payments for May and June are computed using estimates of income reasonably expected in May and June.

.2 Section 44-313.2(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Retrospective Budgeting

(MR) .21 Retrospective budgeting is the method used to compute the AFDC grant for a month using income received in the second month prior to the payment month. Income information shall be obtained from the Monthly Eligibility Report (CA 7).

(MR) .22 Retrospective budgeting is the method used to compute:

(MR) .221 The AFDC grant for the third and subsequent payment months, except that income from the budget month which was considered prospectively for any payment month and is not of a continuous nature shall not be counted, see Section 44-313.3(MR).

(MR) .222 The AFDC grant for the month following a suspension as required by Section 44-315.6.

(MR) .223 The AFDC grant for the month in which aid is restored following a break in aid of less than a calendar month provided:

(MR)(a) The assistance unit received an aid payment, received a zero grant, or would have received an aid payment except for the restriction on grants of less than \$10, for the immediately preceding two payment months; or

(MR)(b) The assistance unit was suspended in either of the two payment months immediately preceding discontinuance and retrospective budgeting was or is required by Section 44-315.6 where aid was or is restored following the suspension.

(MR) Example:

(MR) If aid is discontinued effective March 31, and aid is restored to be effective anytime in April, the grant for April is computed using income received in February, the grant for May is computed using income received in March, etc.

.3 Section 44-313.3(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income of a Continuous Nature

(MR).31 For the third and fourth payment periods, the income already used to compute the grant for the first and second payment periods which is not of a continuous nature shall not be counted.

.4 Budgeting the Income of Individuals Added to or Deleted from an Existing Assistance Unit

.41 Sections 44-313.41(MR) et seq. shall become inoperative and Section 44-313.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The income of an eligible individual added to an existing assistance unit shall be budgeted prospectively for the first two payment months except in the following circumstances:

(QR) The income of a new person who is added to an existing AU shall be budgeted prospectively in accordance with Section 44-316.312(b)(QR) for each month of the QR Payment Quarter.

(MR).411 When aid is restored following a break in aid from that assistance unit when the break in aid is less than one calendar month, retrospective budgeting shall continue. See Section 44-313.223(MR).

(MR).412 When the added individual's income has been considered when determining the assistance unit's eligibility for the two months immediately preceding the beginning date of aid, retrospective budgeting shall be used.

HANDBOOK BEGINS HERE

(MR) EXAMPLE:

Situation: The assistance unit is in retrospective budgeting. An unaided stepparent has income deemed to the assistance unit in December and January. The stepparent is added to the assistance unit on the first day of February, and remains eligible in subsequent months.

Budgeting: Retrospectively budget the stepparent's income deemed to the assistance unit in December to the February payment month. Retrospectively budget the stepparent's income deemed in January to the March payment month. Retrospectively budget all the stepparent's net nonexempt income received in February to the April payment month.

HANDBOOK ENDS HERE

- (MR) .413 When the added individual's income has been considered when determining the assistance unit's eligibility for only the first month immediately preceding the beginning date of aid, his/her income shall be retrospectively budgeted in the second month of aid.

HANDBOOK BEGINS HERE

(MR) EXAMPLE:

Situation: The assistance unit is in retrospective budgeting. A second parent moves into the home in January and applies for aid. Eligibility conditions are met at the end of January. The second parent is added to the assistance unit effective the first of February, and remains eligible in subsequent months.

Budgeting: Compute the second parent's income considered available to the assistance unit in January according to 44-133.3, and retrospectively budget this amount to the March payment month. Prospectively budget the second parent's net nonexempt income expected to be received in February to the February payment month. In addition, retrospectively budget the second parent's net nonexempt income received in February to the April payment month, if the income is of a continuous nature. (See Section 44-313.3(MR).) Retrospectively budget the second parent's net nonexempt income received in March to the May payment month.

HANDBOOK ENDS HERE

.42 Section 44-313.42(MR) shall become inoperative and Section 44-313.42(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The income received during the budget month by an individual deleted from an assistance unit shall not be considered income to the assistance unit for retrospective budgeting in any payment month following his or her discontinuance except in the following circumstance:

(QR) The income of an individual deleted from an AU shall not be considered income to the AU for budgeting purposes in any month(s) following his or her discontinuance except in the following circumstance:

.421 Section 44-313.421(MR) and Handbook Section 44-313.421(MR) shall become inoperative and Section 44-313.421(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the person remains in the home following discontinuance and has income which is considered available to the assistance unit under Section 44-133, retrospective budgeting shall continue.

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(MR) EXAMPLE 1

A child with income moves from the home in July. The child's needs are not considered for eligibility in August. Therefore, his/her June income is not considered when computing the grant paid in August.

(MR) EXAMPLE 2

Situation: The assistance unit is in retrospective budgeting, and in January and prior months consisted of stepfather, mother and her separate child. Stepfather begins working full time and is removed from the assistance unit as of February 1. The stepfather remains in the home, and his income is deemed to the assistance unit according to 44-133.6 in February and subsequent months.

Budgeting: Retrospectively budget all the net nonexempt income received in November by the three-person assistance unit to the January payment month. Retrospectively budget all the net nonexempt income received in December by the three-person assistance unit to the February payment month. Retrospectively budget all of the net nonexempt income received in January by the three-person assistance unit to the March payment month. Retrospectively budget the net nonexempt income received in February by the two-person assistance unit, including the income deemed from the stepparent in February,

to the April payment month. Note: This budgeting method is used even when the stepparent's income is not actually considered available to the family because the stepparent's needs and other deductions allowed under 44-133.6 are greater than the income.

HANDBOOK ENDS HERE

(QR) When the person remains in the home following discontinuance and has income which is considered available to the AU under Section 44-133, prospective budgeting shall continue.

.5 (Continued)

.6 Budgeting for Refugee or Cuban/Haitian Entrant Cases Transferred from Refugee or Cuban/Haitian Entrant Cash Assistance to AFDC-FG AND AFDC-U

.61 Section 44-313.61(MR) shall become inoperative and Section 44-313.61(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The budget period for the month of transfer from the Refugee Resettlement or Cuban/Haitian Entrant Programs to AFDC-FG or AFDC-U shall be the second prior calendar month (retrospective budgeting) unless the family did not receive refugee or Cuban/Haitian entrant cash assistance in the second prior calendar month.

(QR) Prospective budgeting shall continue for recipients transferred from the Refugee Resettlement or Cuban/Haitian Entrant Programs to CalWORKs.

.62 Section 44-313.62(MR) and Welfare and Institutions Code Section 11265.3 shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the family did not receive cash assistance in the second prior calendar month, but did in the prior calendar month, the budget period for the month of transfer shall be the concurrent month. The budget period for the following month shall be the corresponding second prior calendar month.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

Amend Section 44-314.11 to read:

44-314 MAXIMUM FAMILY GRANT (MFG)

44-314

.1 Definitions

(Continued)

.11 Break-in-Aid

Section 44-314.11(MR) shall become inoperative and Section 44-314.11(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in the county, pursuant to the Director's Declaration.

(MR)

For MFG purposes the following conditions will be considered a month in which the assistance unit (AU) did not receive cash aid:

(MR)

Months in suspense as defined in Section 44-315.8(MR).

(MR)

A month in which the AU is eligible for a zero basic grant (ZBG) as defined in Section 44-315.9; or

(MR)

A month in which the reunification family does not receive a cash aid payment pursuant to Section 83-812.683.

(QR)

For MFG purposes the following conditions will be considered a month in which the AU did not receive cash aid:

(QR) .111

A month in which the AU is eligible for a zero basic grant (ZBG) as defined in Section 44-315.9; or

(QR) .112

A month in which the reunification family does not receive a cash aid payment pursuant to Section 83-812.683. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11203, 11265.2, 11450.04(a), (b)(1), (2) and (3), (d)(1), (2) and (3), and (e), Welfare and Institutions Code; Sections 261, 262, and 285; Nickols v. Saenz, Case Number 310867, August 25, 2000; and Kehrer v. Saenz, Case Number 99CS02320, January 22, 2001.

- 1) Amend Section 44-315 to read:
- 2) Amend Section 44-315.315(a)(QR) et seq. and Handbook Sections 44-315.315(a)(QR) Examples, .317, and punctuation in Section 44-315.39 Example 2(QR) to read:

44-315 AMOUNT OF AID (Continued)

44-315

.3 Amount of Grant

The county shall calculate the amount of grant as follows:

.31

Section 44-315.31(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in the county, pursuant to the Director's Declaration.

(QR) Reasonably Anticipated
Monthly Income

The reasonably anticipated monthly income shall be used to determine cash aid for the QR Payment Quarter.

(QR) .311

Income shall be considered to be reasonably anticipated if the county determines that:

(QR) (a)

The income has been or will be approved or authorized within the next QR Payment Quarter, or the household is otherwise reasonably certain that the income will be received within the QR Payment Quarter; and

(QR) (b)

The amount of the income is known.

(QR) .312

If necessary, the county may require the recipient to provide one or more months of the previous quarter's income when the county needs more information to determine what income is reasonably anticipated for the next QR Payment Quarter.

(QR) .313

That portion of the AU's income which is uncertain or cannot be reasonably anticipated, in accordance with Section 44-101(c)(1)(QR), will not be counted when determining income eligibility and cash aid.

(QR) .314 Determine if Income Will
Be Continued or Be
Different

The county shall determine whether the reasonably anticipated monthly income is expected to be different from the income reported for the QR Data Month for one or more months during the next QR Payment Quarter or whether the monthly income reported for the QR Data Month is expected to continue during each month of the next QR Payment Quarter.

(QR) .315 Income Expected to Continue

(QR) (a) Weekly/Bi-Weekly
Payments

Under the following circumstances the county shall add weekly or bi-weekly (every other week) Data Month income amounts reported on the QR 7 and divide that total by the number of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factor (see Section 44-315.315(b)(QR)) shall be applied:

(QR) (1)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming quarter compared to the Data Month income actually reported on the QR 7, and the county is in agreement with the AU's report of no change in income; or

(QR) (2)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming quarter, but the county determines in its follow-up review that the AU's reasonably anticipated income in the next QR Payment Quarter will not change from what was reported in the Data Month on the QR 7; or

(QR) (3)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming quarter and the new amount is known and that the amount will remain the same for the entire QR Payment Quarter and the county is in agreement with the AU's report of the change in income.

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Example 1:

The recipient reports on the QR 7 that four weekly paychecks were received in the following amounts: \$115, \$100, \$135, and \$95. The recipient also indicated on the QR 7 that his/her income is not expected to change during the next QR Payment Quarter compared to the income reported on the QR 7. The county will add the four weeks of income together, divide by four and then factor the resultant amount by 4.33 (use the appropriate conversion factor for the payment frequency) to arrive at the monthly income amount for the next QR Payment Quarter. If five pay periods were reported in the Data Month on the QR 7, the county will add each week together and divide by five and then factor the resultant amount by 4.33.

Example 2:

The QR Payment Quarter is January/February/March. The recipient indicated on the QR 7 that weekly income of \$100 was received in the Data Month and marks on the QR 7 that this income amount will not continue during the upcoming QR Payment Quarter. The county consults with the recipient and finds out that the recipient anticipated a change in income because he/she hopes to get a new job in the next quarter but has no firm offer. The recipient states that if he/she does not get a new job, he/she will continue at the current job throughout the next quarter making the same amount. Due to the speculative nature of the new job and the recipient's statement regarding the current job, the county determines that the income reported in the Data Month on the QR 7 is reasonably anticipated to continue during the next quarter. Therefore, the county would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount for the next QR Payment Quarter. (In this example, because the \$100 weekly amount remains the same for each pay period, the step requiring that the weekly amounts be added together and divided by the number of pay periods is not necessary.)

Example 3:

The QR Payment Quarter is January/February/March. The recipient indicated on the QR 7 that bi-weekly income of \$200 was received in the Data Month and marks on the QR 7 that this income amount will increase to a bi-weekly income of \$250 and will remain the same for the entire next QR Payment Quarter. The county agrees with the recipient's QR 7 information and applies the 2.167 conversion factor to the \$250 bi-weekly amount to arrive at the monthly income amount for the next QR Payment Quarter. (In this example, because the \$250 weekly amount remains the same for each pay period, the step requiring that the bi-weekly amounts be added together and divided by the number of pay periods is not necessary.)

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(QR) (b)

The average weekly and bi-weekly amounts arrived at above shall be converted to a monthly amount by using a 4.33 conversion factor for weekly payments and a 2.167 conversion factor for payments received bi-weekly.

(QR) (c)

The conversion factors can only be used if reasonably anticipated weekly and bi-weekly payments are reasonably anticipated to be paid throughout the entire QR Payment Quarter for each week or for every other week in the QR Payment Quarter. For reasonably anticipated income that is not paid weekly or bi-weekly for one or more months of the QR Payment Quarter, the total monthly reasonably anticipated income amounts shall be added together and averaged over the months of the QR Payment Quarter, by adding each month total income and dividing by the number of months in the QR payment quarter.

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Example:

The recipient reports on the QR 7 that she is paid on a weekly basis except she only works three weeks in a month and indicates that this frequency of pay will remain the same throughout the next QR Payment Quarter and will remain unchanged throughout the next QR Payment Quarter. She is typically paid \$115, \$100, and \$135. The county will add the three weeks of income together to arrive at a reasonably anticipated monthly income for the next QR Payment Quarter. Since income is not paid every week of the QR Payment Quarter, the conversion factor cannot be applied.

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(QR) (d) Monthly/Semi-Monthly Payments

For income that is received monthly or semi-monthly (two times a month) and is expected to continue, the county shall use the total monthly income amount reported on the QR 7 for the QR Data Month to calculate cash aid for the next QR Payment Quarter. The conversion factors shall not be used for income that is received monthly or semi-monthly.

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Example:

The recipient reports on the QR 7 that monthly income of \$500 received in the QR Data Month will continue for the QR Payment Quarter. The county shall use the \$500 monthly income total to calculate cash aid.

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(QR) .316 Income Expected to Be Different

For income that is reasonably anticipated to be different for one or more months of the QR Payment Quarter, the monthly income amounts shall be averaged over the months of the QR Payment Quarter by adding each month's total income and dividing that total by the number of months in the QR Payment Quarter.

If this income is paid on a weekly or bi-weekly basis, the county shall determine the number of pay periods and their amounts reasonably anticipated to be received during each month of the QR Payment Quarter to compute the reasonably anticipated income total for each month.

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Example:

A recipient is in a January/February/March quarter. The recipient indicated on the QR 7 that weekly income of \$100 per week was received in the QR Data Month and that this income will not continue during the April/May/June quarter. The county consults with the recipient and determines that the \$100 per week pay will only be received until the second week of May. The recipient will begin a new job on June 1 and anticipates receiving a monthly income of \$500. There are five pay periods in April, and four pay periods in May.

Once the monthly income amounts for each month of the QR Payment Quarter have been determined, add the reasonably anticipated income for each month of the quarter and divide by the number of months in the QR Payment Quarter to arrive at a reasonably anticipated monthly income. The county shall use the reasonably anticipated monthly income to calculate cash aid for the QR Payment Quarter.

The county will compute income for the new quarter as follows:

April	\$500
May	\$200
June	\$500
Total Quarter income	\$1200

The reasonably anticipated monthly income is \$400 (\$1200 divided by the number of months in the QR Payment Quarter).

The reasonably anticipated income for each month of the QR Payment Quarter \$400.

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- (QR) .317 Determination of Aid Based on Mid-Quarter Changes When a recipient mid-quarter report or a county initiated action changes the amount of cash aid, except as provided in Section 44-316.31+2(ea)(3)(QR), the county shall determine the grant amount by adding the monthly income for the remaining months of the QR Payment Quarter then dividing by the number of months remaining in the QR Payment Quarter. The county shall use the reasonably anticipated monthly income to calculate cash aid for the remainder of the QR Payment Quarter.

- .32 "Family" MAP (Continued)

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- .321 MBSAC and MAP Levels (Continued)

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- .33 Add Special Need Payment (Continued)
- .34 Net Nonexempt Income (Continued)
- .35 Potential Grant (Continued)
- .36 AU MAP (Continued)
- .37 Add Special Need Payments (Continued)
- .38 Actual Grant Amount (Continued)

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.381

(Continued)

.39 Computation Examples

Handbook Section 44-315.39(MR) shall become inoperative and Handbook Section 44-315.39(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children). The stepfather has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

\$ 775	Earned Income for the family
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income
\$ 728	"Family" MAP for four (mom, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 775	Total (MAP plus Special Needs)
<u>- 275</u>	Net Nonexempt Income
\$ 500	Potential Grant
\$ 611	Nonexempt AU MAP for three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 658	Total MAP plus Special Needs
\$ 500	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Continue for Each Month of the QR Payment Quarter

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children) are in a July, August, and September Quarter. The

stepfather has gross earned income of \$775 per month, with no other income and no reasonably anticipated changes in income for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Reasonably Anticipated Monthly Earned Income for the Family
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income
\$ 839	"Family" MAP for Four (mother, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 886	Total (MAP plus special needs)
<u>- 275</u>	Net Nonexempt Income
\$ 611	Potential Grant
\$ 704	Nonexempt AU MAP for Three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 751	Total MAP plus Special Needs
\$ 611	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

(MR) Example 2:

A nonexempt AU of three (an adult and two children) has gross earned income of \$800 per month and the children received \$300 in Social Security Disability Insurance benefits from the absent parent's disability claim. The family lives in Region 1.

\$ 300	Disability-based Unearned Income (SSDI)
<u>- 225</u>	\$225 Income Disregard
\$ 75	Nonexempt Disability-Based Income
\$ 800	Earned Income
<u>- 400</u>	50% Income Disregard
\$ 400	Nonexempt Earned Income
<u>+ 75</u>	Nonexempt Disability-Based Income
\$ 475	Total Net Nonexempt Income
\$ 611	Nonexempt MAP for three (Region 1)
<u>- 475</u>	Total Net Nonexempt Income
\$ 136	Grant Amount

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Differ for One or More Months of the QR Payment Quarter.

Example 2:

A Region 1 nonexempt AU of four is in the October/November/December quarter. Mother submits the QR 7 for November to the county on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season has ended. She reports that she will get paid \$900 in January and \$800 in February. One child is also receiving SSA disability benefits (DBI) of \$100 per month based on an absent father's disability.

Benefits for the January/February/ March quarter are computed based on the income the AU reasonably anticipates it will receive during that quarter as follows:

\$ 100	Monthly DBI
\$ 900	Reasonably Anticipated Earned Income for January
+ 800	Reasonably Anticipated Earned Income for February
+ 0	Reasonably Anticipated Earned Income for March
\$1700	Subtotal Reasonably Anticipated Earned Income for Quarter
\$ 566.67	Reasonably Anticipated Earned Income Divided by the Number of Months in the QR Payment Quarter $1700/3 =$ (averaged monthly earnings)
\$ 100	Reasonably Anticipated Monthly DBI Income
- 225	Less DBI Unearned Income Disregard
-\$125	Remaining Disregard
\$ 566.67	Reasonably Anticipated Monthly Earned Income
- 125	Less (remaining) Income Disregard
\$ 441.67	Subtotal
- 220.5084	Less 50% Earned Income Disregard
\$ 220.5083	Subtotal NNI
\$ 0.00	Add Reasonably Anticipated Monthly DBI
+ 220.50	Add Reasonably Anticipated Monthly Earnings
\$ 220.50	Total NNI <u>[Rounded down]</u>
\$ 799	MAP for AU of Four
- 220	Less NNI
\$ 579	New Monthly Grant for the QR Payment Quarter

(MR) Example 3:

A nonexempt AU of four (mother, father, and their two children) has gross earned income of \$775 per month. The father has \$150 in Social Security Disability benefits per month and \$300 in veteran's benefits. The family lives in Region 1.

\$ 150	Disability-Based Unearned Income
<u>- 225</u>	\$225 Income Disregard
\$- 75	Remainder of \$225 Income Disregard (\$225 - \$150)
\$ 775	Earned Income
<u>- 75</u>	Remainder of \$225 Income Disregard (\$225 - \$150)
\$ 700	Subtotal
<u>- 350</u>	50% Earned Income Disregard
= 350	Nonexempt Earned Income
+ 0	Nonexempt Unearned Disability-Based Income
<u>+ 300</u>	Nonexempt Unearned Income (Veteran's Benefits)
\$ 650	Total Net Nonexempt Income
\$ 728	Nonexempt MAP for four (Region 1)
<u>- 650</u>	Net Nonexempt Income
\$ 78	Grant Amount

(QR) Mid-Quarter Changes to Cash Aid

Example 3:

A Region 1 nonexempt AU of three (mother and two children) is in the October, November, and December quarter. On her previous QR 7 received in September, (QR Data Month for the previous quarter was August), mother reported her earned income to be \$600 and that she expected no changes for the next QR Payment Quarter.

\$ 600	Reasonably Anticipated Monthly Income for the Family
<u>- 225</u>	\$225 Income Disregard
\$ 375	Subtotal
<u>- 187.50</u>	50% Earned Income Disregard
\$ 187	Total Net Nonexempt Income <u>[Rounded down]</u>
\$ 704	Non-exempt MAP for Three, Region 1
<u>- 187</u>	Less Net Nonexempt Income
\$ 517	AU Monthly Grant for the QR Payment Quarter

On October 25, the mother voluntarily reports that the father, with no income, moved into the home on October 24. The father is determined eligible and is reasonably anticipated to have monthly income of \$200 for November and \$100 for December.

The Mid-Quarter Grant Calculation for the Remaining Months of the Quarter Would Be:

\$ 200	Father's Reasonably Anticipated Earned Income for November
+ 100	Father's Reasonably Anticipated Earned Income for December
\$ 300	Subtotal Reasonably Anticipated Earned Income for the Remainder of the Payment Quarter
\$ 150	Father's Earned Income Divided by the Remaining Months of the QR Payment Quarter $\$300/2 = \150 (reasonably anticipated monthly income)
\$ 600	Existing AU's Previously Determined Reasonably Anticipated Monthly Earned Income (not recalculated)
+ 150	Father's Reasonably Anticipated Earned Monthly Income
\$ 750	Total Net Nonexempt Income for the Potential AU
- 225	\$225 Income Disregard
\$ 525	Subtotal
- 262.50	50% Earned Income Disregard
\$ 262	Total Net Nonexempt Averaged Income [Rounded down]
\$ 839	Non-exempt MAP for Four, Region 1 (includes eligible father)
- 262	Less Net Nonexempt Income
\$ 577	AU Monthly Grant Payment for the Remaining Months of the QR Payment Quarter

Father is added to the existing AU effective November 1 since his addition to the AU will increase the cash aid. A supplement of \$60 is issued to the AU for November and the grant is increased to \$577 for the month of December.

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.4 (Continued)

.5 \$10 or more

If the amount determined in Section 44-315.38 is less than ten dollars (\$10), no payment shall be paid for that month. If the beginning date of aid is after the first of the month, and the amount of aid determined in Section 44-315.38 is to be prorated, and the prorated amount is less than ten dollars (\$10), no payment shall be paid for that month. Such cases shall be considered to have received a payment for all other purposes.

If the amount determined in Section 44-315.38 is ten dollars (\$10) or more, that amount is the total grant and, if there are no overpayment adjustments, shall be authorized as the aid payment. (Continued)

.7 Proration of AFDC-FG/U Grant

(Continued)

.72

(Continued)

.721

Determine the total monthly grant amount (see Section 44-315.38); (Continued)

.8

Section 44-315.8(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Suspension

(MR) .81

The county shall suspend, not discontinue, aid in the payment month when income or other circumstances in the corresponding budget month appear to result in ineligibility for only one payment month. The recipient need not reapply for aid for the month following the suspension, however, the recipient is required to complete a monthly report for the month of suspension. If it appears that the income or other circumstances from the budget month will result in ineligibility for more than one payment month, aid is discontinued.

(MR) .82

Aid payments for the month following a suspension shall be computed using prior month budgeting if the family's circumstances have not changed significantly from the corresponding budget period.

(MR) .83

Aid payments for the two months following a suspension shall be computed using concurrent budgeting if the family's circumstances have changed significantly from the corresponding budget period, e.g., loss of a job (see Section 44-313.123(MR)). (Continued)

Authority Cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11004 (Ch. 270, Stats. 1997), 11017, 11209, 11253.5(d) and (e) (Ch. 270, Stats. 1997), 11254, 11265.2, 11265.3, 11265.8(a) (Ch. 270, Stats. 1997), 11323.4 (Ch. 270, Stats. 1997), 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11450.5, 11451.5 (Ch. 270, Stats. 1997), 11452, 11453, and 11453(a) (Ch. 329, Stats. 1998), Welfare and Institutions Code.

- 1) Amend Section 44-316 to read:
- 2) Amend Sections 44-316.2(QR); .23(QR); .3(QR); .31(QR) et seq.; Sections 44-316.312(a)(3)(QR) and (a)(5)(QR); and Sections 44-316.312(b)(5)(QR) and Handbook Example, and (d)(1)(QR) and (d)(2)(A)(QR); Sections 44-316.324(c)(1) and (2)(QR) and (d) [Handbook]; and Sections 44-316.331(QR) et seq.; repeal Section 44-316.313(d); and adopt new Section 44-316.311(QR) et seq. to read:

Section 44-316(MR) Title shall become inoperative and Section 44-316(QR) Title shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR)44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS 44-316

(QR) 44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS 44-316

- .1 Sections 44-316.1 and .11(MR) shall become inoperative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Required Reporting of All Changes Affecting Eligibility and Grant Determination

(MR) .11 All recipients are required to promptly report to the county any changes in eligibility or grant determination factors.

- .2 Section 44-316.2(MR) shall become inoperative and Sections 44-316.2(QR) and .21(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Additionally, prior to the end of each budget period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant in that budget period or expected changes in subsequent budget periods.

(MR) For all CalWORKs recipients, such information shall be reported on the CA 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22(MR), then the recipient's grant will be terminated in accordance with Confidentiality, Fraud, Civil Rights, and State Hearings Manual Section 22-072. Though the CA 7 is not applicable to AFDC-FC, every effort shall be made by the county to insure that foster parents and children are aware of the necessity to report any change in need or income for the child.

(QR) Prior to the end of each QR Payment Quarter, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount ~~in that from the QR 7 Payment Quarter Reporting Period~~ and expected income changes in the subsequent next QR Payment Quarter.

(QR) .21 For all CalWORKs recipients, such information shall be reported on the QR 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22(QR), then the recipient's grant will be terminated in accordance with Section 22-072.

.22 Section 44-316.22(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) The county shall use the QR 7 to determine continued eligibility as specified in Section 40-181.

.23 Section 44-316.23(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Additionally, the county shall compare the QR 7 submitted for that QR Payment Quarter to all mid-quarter reports that were reported during that QR Payment Quarter to ensure that mid-quarter circumstances reported are consistent with the circumstances reported on the QR 7.

.231 Section 44-316.231(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) If the information reported on the QR 7 is inconsistent with the information provided in any mid quarter reports made during the QR 7 Reporting Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the QR 7 shall be considered incomplete.

.3 Section 44-316.3(QR) et seq. shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Mid-Quarter Actions

The county shall act on specified changes that occur mid-quarter. Mid-quarter changes to cash aid shall be acted on separately and sequentially under quarterly reporting/prospective budgeting and include:

(QR) .31 Recipient Mid-Quarter Voluntary Reports

(QR) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the QR Payment Quarter. The county shall also accept a report of decreased income on the QR 7 as a voluntary mid-quarter report when the QR 7 is received in the Submit Month of the QR Payment Quarter.

When a voluntary report of decreased income is received in the Submit Month, the county shall also treat this information as updated QR 7 income information (see Section 44-315.314(QR)) when determining cash aid for the next QR Payment Quarter. The county shall take action on voluntary reports that increase cash aid or the recipient requests voluntary discontinuance of aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report (except as provided in Section 44-318.152(a)(QR)), the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12(QR). Recipients must provide all verifications within ten days of a voluntary report prior to county action.

(QR) .311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the QR Payment Quarter, the county must request verification in writing.

(QR) (a) If the recipient provides verification within 10 days of the voluntary mid-quarter report, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)(QR).

(QR) (b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.

(QR) (c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of a voluntary report.

(QR) .312 Recipient voluntary reports include, but are not limited to, the following:

(QR) .311

(a) Decreases in Reasonably Anticipated Income

(QR) (a1) When an AU voluntarily reports a decrease in income from the amount that was reasonably anticipated to be received, the county shall determine if the AU's cash aid will increase based on the changed income amount.

(QR) (1A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the quarter. The new grant amount shall be calculated using the existing averaged income that didn't change and the recalculated averaged income (the income that decreased).

- (QR) (2B) When an AU consists of more than one person with income and one person experiences a decrease in income, only the changed income shall be recalculated. The new grant amount shall be based on that person's recalculated income along with the existing AUs averaged monthly income that did not change.
- (QR) (b2) When cash aid would increase due to a voluntary reported decrease in reasonably anticipated monthly income, the county shall determine a new monthly grant amount based on the report of decreased income.
- (QR) (e3) The county shall use the actual new reasonably anticipated income ~~received~~ for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income for the remaining months of the QR Payment Quarter in recalculating cash aid for the month in which the change was reported and remaining months of the QR Payment Quarter.
- (QR) (d4) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs whichever is later and when all verification has been provided (see Section 44-340.34(QR)).
- (QR) (e5) The county shall increase the grant amount for the remainder of the QR Payment Quarter based upon the newly calculated grant in Section 44-316.3142(ea)(3)(QR).

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(QR) Example 1:

An exempt AU of three, in Region 1 is in the April/May/June quarter and is receiving a QR Payment Quarter grant of \$192 per month. The grant was based on the mother having reasonably anticipated earned income of \$1200 per month. On April 15, the mother reports that she lost her job and will only receive a \$600 paycheck for the month of April and anticipates no income for the remainder of the quarter. The county requests verification of the job loss and the recipient provides the necessary documentation by April 20.

The county shall recalculate aid for QR Payment Quarter as follows:

\$ 600	April Actual Income
+ 0	May Reasonably Anticipated Income
+ 0	June Reasonably Anticipated Income
\$ 600	Earned Income for the Quarter
÷ 3	Earned Income Divided by Three
\$ 200	Reasonably Anticipated Monthly Income (month of report of decreased income plus the remaining months of the current QR Payment Quarter)
\$ 200	Reasonably Anticipated Monthly Income
- 225	Income Disregard
\$ 0	Subtotal
	50% Earned Income Disregard
\$ 0	Total Net Nonexempt Income
\$ 704	MAP for Three in Region 1(QR Payment Quarter monthly grant)
\$ 704	Potential Monthly Grant Amount
- 192	Grant Already Received
\$ 512	Supplement

A supplement of \$512 is issued for the family for the month of April and the cash aid is increased to \$704 for May and June.

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(QR) (~~f~~6) If the AU voluntarily reports a decrease in earnings that resulted from a loss or reduction in hours of employment, and the county determines that the recipient did not have good cause for the job quit/reduction in hours, the county shall impose a sanction pursuant to Section 42-721.4. However, the county shall not wait to increase cash aid due to voluntary report of decreased income while determining if good cause exists before imposing the sanction. See Section 42-721.44 for the time frame for imposing sanctions.

(QR) ~~3~~12

(b) Adding Persons to an Existing AU

(QR) (~~a~~1) When an AU voluntarily reports a new person in the home, the county shall determine:

(QR) (~~1~~A) If the new person is CalWORKs eligible; and

(QR) (2B) If the new person were added into the AU, the AU would still meet all eligibility conditions; and

(QR) (3C) If the addition of the new person would increase or decrease the grant amount or render the AU ineligible.

(QR) (b2) In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated averaged income for the new person and the existing AU's income for the month in which the new person was voluntarily reported in the home and the remaining months of the QR Payment Quarter. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.

(QR) (e3) When aid would increase due to the voluntary report of a new person, the county shall add the new person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.

(QR) (1A) The county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the QR Payment Quarter.

(QR) (A)1. The new person's income will be averaged for the remaining months of the QR Payment Quarter. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.

(QR) (B)2. The new grant amount shall be based on the AU's existing averaged monthly income and the new person's calculated averaged monthly income for the months the new person would be included in the AU.

(QR) (2B) The county shall increase the grant amount for the month the new person is added and the remaining months of the QR Payment Quarter based on the recalculation of the AU's cash aid (see Section 44-340.34(QR)).

(QR) (d4) When adding a new person who would result in an increase in aid, but the new person does not meet all eligibility conditions, before aid is authorized, the county shall not add the person nor discontinue the existing AU mid-quarter.

(QR) (e5) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person until the first day of the next QR Payment Quarter that follows the mandatory reporting of the new person on the QR 7, after all verification has been provided and all eligibility conditions have been met ~~(see except as provided in~~ Section 82-832.3(QR)).

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(QR) Example: An AU of three (mother and two children) are in a January/February/March Quarter. Father, who is disabled and has a part time job, moves into the home January 10 and is voluntarily reported in January by the AU. The county recalculates aid for the QR Payment Quarter using the father's reasonably anticipated income for the quarter and determines the addition of the father would decrease aid for the existing AU. The county does not add the father into the AU mid-quarter. The county will send a No Change NOA and remind the existing AU to report the father on the next QR 7, due March 5. If the father is still living in the home, meets all eligibility conditions, and the AU remains eligible, the father will be added into the AU April 1 and his income will be used in the grant calculation for the April/May/June QR Payment Quarter.

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(QR) (f6) If adding a new person would render the existing AU ineligible, the county shall not take action mid-quarter to discontinue the existing AU. The county shall discontinue the existing AU, with timely and adequate notice, at the end of the QR Payment Quarter in which the new person is mandatorily reported on the QR 7.

(QR) 313

(c) Request Discontinuance for Aid to Existing AU Members

(QR) At any time during the QR Payment Quarter, a voluntary request can be made to discontinue the entire AU or any individual AU member who is no longer in the home or is an optional person.

(QR) (a~~1~~) If a voluntary request for discontinuance is made verbally, the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided.

(QR) (b~~2~~) If the request for discontinuance was made in writing, the county shall discontinue cash aid at the end of the month with adequate notice.

(QR) (e~~3~~) If an individual requests discontinuance from an existing AU, the county shall discontinue the individual even when that individual's request results in a decrease in aid for the remaining AU members.

(QR) (1~~A~~) The county shall not presume that a mid-quarter report of an individual leaving the home is a voluntary request for discontinuance of that AU member. In such circumstances, the county shall verify with the AU if the AU is seeking to discontinue that individual, and shall inform the AU that such a discontinuance shall result in decreased cash aid to the remaining AU members.

(QR) (2~~B~~) If an individual AU member who has left the home requests a discontinuance, but the AU has not voluntarily reported the departure, the individual's request for discontinuance takes precedence over the AU's decision to not make this voluntary mid-quarter report.

(QR) (d) ~~If an AU notifies the county mid-quarter that an AU member has died, the county shall treat this information as a voluntary report for mid-quarter discontinuance of cash aid for the deceased individual.~~

..(QR) 314

(d) Request for Recurring Special Needs

(QR) (a~~1~~) Recurring special needs that have been requested mid-quarter and have been verified and approved will begin the first of the month in which either the need was reported or the county receives verification which substantiates that the need exists, whichever is later, and shall remain in effect until the end of the quarter in which the special need is expected to end, except as provided in Section 44-211.641(QR).

(QR) (b2) When an AU member becomes pregnant mid-quarter, the county shall make payment according to existing pregnancy special need rules (see Sections 44-211.6 et seq.) and will continue payment of the special need until the end of the quarter in which the child is expected to be born.

(QR) (1A) If the pregnancy is verified to extend beyond the estimated date of confinement and extends into the next QR Payment Quarter, the county shall continue the pregnancy special need payment until the end of the QR Payment Quarter in which the new estimated date of confinement is established or until the newborn is added to the AU. See Section 44-318.15 for when to add the newborn.

(QR) .32 Recipient Mid-Quarter Mandatory Reports

Recipients shall report in person, verbally or in writing, specific changes during the QR Payment Quarter within ten days of when the change becomes known to the AU.

(QR) .321 The following occurrences shall be reported by the recipient to the county:

(QR) (a) Drug felony convictions

(QR) (b) Fleeing felon status

(QR) (c) Violation of conditions of probation or parole

(QR) (d) Address changes

(QR) (e) Income exceeding the Income Reporting Threshold (IRT)

(QR) .322 The county shall discontinue cash aid to the recipient at the end of the month in which timely and adequate notice can be provided when changes specified in Sections 44-316.321(a), (b), and (c) are reported.

(QR) .323 The county shall act on address changes, in accordance with regulations and procedures regarding changes of residence.

(QR) .324 Income Reporting Threshold (IRT)

(QR) (a) The level of income that triggers the need for a CalWORKs AU to report a mid-quarter change in income. The IRT is the greater of 130 percent of the Federal Poverty Level or the level at which an AU becomes financially ineligible.

(QR) (b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the QR Payment Quarter.

(QR) (1) An AU that has earned income only or a combination of earned and unearned income shall report when the family's combined gross monthly income exceeds the AU's IRT.

(QR) (2) An AU that has no income or has unearned income only shall report if they begin to receive earned income that, once combined with other family income, exceeds the AU's IRT.

(QR) (c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility for the QR Payment Quarter.

(QR) (1) When the AU reports income in excess of the IRT in the first or second month of the current QR Payment Quarter, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly averaged income for the remainder of the current QR Payment Quarter will exceed the AU's MAP for the remainder of the QR Payment Quarter. If the averaged income will is reasonably anticipated to continue, to exceed the AU's MAP for the remainder of the QR Payment Quarter, the AU is determined financially ineligible for the QR Payment Quarter and the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's MAP, with timely and adequate notice (see Section 44-207.23(QR)).

(QR) (A) If the AU reports that the income will no longer exceed the IRT prior to the effective date of the discontinuance, and the county determines that this is reasonably anticipated, the county shall rescind the discontinuance.

(QR) (B) If the AU requests restoration of cash aid after the QR Payment Quarter in which the discontinuance takes effect, financial eligibility shall be determined in accordance with Sections 40-125.91 and .92(QR).

(QR) (2) When an AU reports income in excess of the IRT in the third month of the current QR Payment Quarter, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the QR 7 information to prospectively determine eligibility and cash aid amount for the next QR Payment Quarter.

(QR) (d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the QR Payment Quarter, the county shall treat this additional information as a mid-quarter report.

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An AU is in the April/May/June Quarter. In April, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for May and June for the AU due to the IRT report, it is discovered that the AU will have no income for those months. Since the income over the IRT will not continue, the AU is not discontinued. The county shall treat this information as a mid-quarter report and recalculate the cash aid amount, after verification is received, for the decreased income for May and June. If the recalculation results in an increase of cash aid, a supplement will be issued for May and the grant increased for June.

Income Reporting Threshold (IRT) for Recipient Family

Region One	
* Reporting Size	Income Reporting Threshold
0	\$227
1	\$973 \$1009
2	\$1361 \$1362 Oct. & Nov. 2004) \$1394 (Dec. 2004 forward)
3	\$1654 \$1698
4	\$1994 \$2043
5	\$2334 \$2387
6	\$2674 \$2732
7	\$3014 \$3076
8	\$3354 \$3421
9	\$3695 \$3766
10 or more	\$4036 \$4111

Effective 10/1/03 to 9/30/04

Region Two	
* Reporting Size	Income Reporting Threshold
0	\$227
1	\$973 \$1009
2	\$1313 \$1354
3	\$1654 \$1698
4	\$1994 \$2043
5	\$2334 \$2387
6	\$2674 \$2732
7	\$3014 \$3076
8	\$3354 \$3421
9	\$3695 \$3766
10 or more	\$4036 \$4111

Effective 10/1/03 to 9/30/04

* The numbers in this column reflect the number of persons whose needs are included in the determination of eligibility for the AU. This number may be greater than the family's AU size.

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(QR) .33 County Initiated Mid-Quarter Changes

The county shall take mid-quarter action on certain specified changes in eligibility and grant status at the end of the month in which the change occurred even if it results in a decrease in cash aid.

(QR) .331 County-initiated actions include:

- (QR) (a) An adult in the AU reaches the 60-month time limit;
- (QR) (b) The county imposes a sanction or financial penalty on an individual member of the AU;
- (QR) (c) The county removes the sanction of an individual who corrects his/her welfare-to-work participation problem, in accordance with Section 42-721.48;
- (QR) (d) The county removes the penalty for an AU that complies with the CalWORKs program requirements;
- (QR) (e) A Cal-Learn participant earns a Cal-Learn bonus or sanction;
- (QR) (f) A child in the AU reaches the age limit (see Section 42-101);
- (QR) (g) A child in the AU is placed in Foster Care;
- (QR) (h) A Refugee Cash Assistance (RCA) recipient reaches the eight-month RCA time limit;
- (QR) (i) Aid is ~~approved~~ authorized for ~~child~~ an individual who is currently aided in another AU;
- (QR) (j) Late QR 7 adjustment;
- (QR) (k) State Hearing decision resulting in mandatory changes mid-quarter;
- (QR) (l) When an AU becomes a Family Reunification case;
- (QR) (m) An AU member is no longer a California resident;

- (QR) (n) County acts on redetermination information in accordance with Section 40-181.1(QR).
- (QR) (o) Adjustments to correct erroneous payments caused by (1) incorrect or incomplete recipient QR 7 or mid-quarter reporting; or (2) incorrect action or lack of action by the county on QR 7 or mid-quarter information reported by the recipient;
- (QR) (p) When it becomes known to the county that an AU member is deceased;
- (QR) (q) An AU is transferred to a Tribal TANF program;
- (QR) (r) Cost-of-living adjustments for Minimum Basic Standards of Adequate Care (including income in-kind), Maximum Aid Payment, and Social Security;
- (QR) (s) When it becomes known to the county that an individual is confined in a correctional facility on the first of a month and is expected to remain for a full calendar month or more (see Section 82-812.62).

Authority Cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code.

Reference: Section 10063 (Ch. 270, Stats. 1997), 11265, 11265.1, 11265.2, 11265.3, and 11450.5; Welfare and Institutions Code.

- 1) Amend Section 44-318 to read:
- 2) Amend Section 44-318.14(QR) to read:

44-318 BEGINNING DATE OF AID (BDA) FOR PERSONS
BEING ADDED TO THE AU

44-318

.1 Beginning Date of Aid

The BDA shall be:

~~(MR)~~ .11 Mandatorily Included Persons

Section 44-318.11(MR) shall become inoperative and Section 44-318.11(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The date the person joins the AU or the date all eligibility requirements are met, whichever is later, for a person who is required to be included in the AU.

(QR)

When mandatorily included persons added result in a cash aid:

(QR) .111 Increase

The first of the month after the change is reported and all conditions of eligibility have been met.

(QR) .112 Decrease

The first day of the QR Payment Quarter following the required reporting of the individual on the QR 7 provided all conditions of eligibility have been met.

.12 Optional Persons

Section 44-318.12(MR) shall become inoperative and Section 44-318.12(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The date of application or the date all eligibility requirements are met, whichever is later, for a person who has the option to be included in the AU.

(QR)

When optional persons added result in a cash aid:

(QR) .121 Increase

The first of the month after the change is reported and all conditions of eligibility have been met.

(QR) .122 Decrease

The first day of the QR Payment Quarter following the required reporting of the individual on the QR 7 provided all conditions of eligibility have been met.

.13 Sanction/
Noncooperating Persons

Section 44-318.13(MR) shall become inoperative and Section 44-318.13(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The date the person meets the requirement which caused that person to be excluded from the AU, or the date the person meets all eligibility conditions, whichever is later.

(QR)

The first of the month following the date the person meets the requirement which caused that person to be excluded from the AU, after all conditions of eligibility have been met (see Section 44-316.331(c)(QR)), and the minimum sanction periods in accordance with Section 42-721.43 have passed.

.14 Unreported Mandatorily
Included Persons

Section 44-318.14(MR) shall become inoperative and Section 44-318.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The date the person meets all requirements for eligibility when he/she is required to be included in the AU but aid was not requested. Eligibility conditions are considered to have been met from the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.

(QR)

~~The first day of the month of the QR Payment Quarter following the quarter in which the individual was required to be reported on the QR 7 provided that the individual~~ date the person meets all requirements for eligibility when he/she was ~~is~~ required to be included in the AU but aid ~~was not reported on the QR 7 requested.~~

(QR) .141

Eligibility conditions are considered to have been met from the first day of the month ~~QR Payment Quarter following the quarter in which~~ date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.

.15

Section 44-318.15(MR) shall become inoperative and Section 44-318.15(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Newborn Child

The date of birth for a newborn child when his/her mother received pregnancy special need or the date all eligibility requirements are met, whichever is later.

(QR) Newborn Child and MFG Child

(QR) .151 Newborn Child

When a newborn child is added results in a cash aid:

(QR) (a) Increase

The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.6(QR)).

(QR) (b) Decrease

The first day of the next QR Payment Quarter after the change is reported on the QR 7 and after all conditions of eligibility have been met (see Section 44-211.6(QR)).

(QR) .152 Newborn MFG Child

When an MFG newborn child is added results in no change or a decrease in cash aid.

(QR) (a) No PSN/No Change	The first of the month following the report of the birth provided that all conditions of eligibility have been met and provided that the mother is not receiving a pregnancy special need payment and the grant will not decrease as a result of adding the newborn.
(QR) (b) PSN/Decrease	The first day of the next QR Payment Quarter following the report of the birth and all verification has been provided, when the mother has been receiving a pregnancy special need payment or the grant would otherwise decrease as a result of adding the newborn.
.16 Father of a Newborn	Section 44-318.16(MR) shall become inoperative and Section 44-318.16(QR) et seq. shall become operative in a county on date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)	The date the newborn child becomes eligible, or the date the father meets eligibility conditions, whichever is later.
(QR)	When a father of a newborn added, in accordance with Section 44-205.632, results in a cash aid:
(QR) .161 Increase	The first of the month after the report of the birth and all conditions of eligibility have been met.
(QR) .162 Decrease	The first day of the next QR Payment Quarter after the report of the birth and all conditions of eligibility have been met.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11056 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; 45 CFR 233.10 and .20(a)(13); Federal Register, Vol. 57, No. 131; and SSA-AT-86-01.

Amend Section 44-325 to read:

44-325 CHANGES IN AMOUNT OF PAYMENT

44-325

.1 When Change is Effective

Section 44-325.1(MR) shall become inoperative and Section 44-325.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective as soon as proper notice can be given in accordance with Sections 22-022 and 22-021.2.

(QR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective in accordance with Section 44-316(QR) as soon as notice can be given pursuant to Sections 22-071(QR) and 22-072(QR).

.2 (Continued)

.3 (Continued)

.31 (Continued)

.311 (Continued)

.312 (Continued)

.313 (Continued)

.32 (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11006.2, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code.

Amend Section 44-327.25 to read:

44-327 DELAYED PAYMENT (Continued)

44-327

.2 Factors Causing Delay in Payment (Continued)

.25 Section 44-327.25(MR) shall become inoperative and Section 44-327.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The complete CW 7 (see Section 40-181.241(MR)) is received after the tenth day prior to the end of the report month regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(MR).

(QR) The complete QR 7 (see Section 40-181.241(QR)) is received after the tenth day prior to the end of the submit month regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(QR). (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11006.2, and 11265.1, Welfare and Institutions Code.

Amend Section 44-340 to read:

44-340 UNDERPAYMENTS

44-340

.1 General (Continued)

.13 The county shall take all reasonable steps necessary to correct promptly any underpayment that comes to the county's attention. (Continued)

.133 Section 44-340.133(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) If information reported on the QR 7 results in an increase of cash aid, and the county cannot increase the grant by the first day of the month of the next QR Payment Quarter, a supplement shall be issued for that month, and cash aid increased for the remaining months of that quarter provided that the recipient reported the information timely.

.14 Section 44-340.14(MR) shall become inoperative and Section 44-340.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an underpayment determination. If there is a computational error, the payment shall be corrected.

(QR) A mid-quarter supplemental payment resulting from a voluntary mid-quarter report which was correctly computed based on a recalculation of reasonably anticipated income and/or other changed AU circumstances shall not be considered an underpayment and is not subject to an overpayment offset. (Continued)

.3 Calculating the Underpayments

The calculation of the underpayment is as follows: (Continued)

.32 Section 44-340.32(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) An underpayment occurs when the AU receives less cash aid than the AU was entitled to receive and would be based on regulations in effect at the time the underpayment occurred.

(QR) .321 The county shall not reconcile actual verified income against prospectively budgeted income that was used in the grant calculation as income that was reasonably anticipated at the time benefits were calculated.

.33 Section 44-340.33(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) No underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated during the QR Payment Quarter and the recipient did not voluntarily report the change in circumstances or the decrease of income during the QR Payment Quarter in accordance with Section 44-316.31(QR). (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11004.1, 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

- 1) Amend Section 44-350 to read:
- 2) Renumber Section 44-350.6 to .18 and amend to read:

44-350 OVERPAYMENTS -- GENERAL

44-350

.1 General (Continued)

.17 Section 44-350.17(MR) shall become inoperative and Section 44-350.17(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an overpayment determination. If there is a computational error, the payment shall be corrected.

(QR) A supplemental payment which was correctly computed, based on the county's determination of reasonably anticipated income, shall not be subject to an overpayment determination provided that the recipient's report, upon which the county based its determination, was complete and accurate. If there is a computational error, the supplemental payment shall be corrected.

.618 Section 44-350.618(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) ~~When Overpayments Will Not Be Assessed~~

An overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the QR Payment Quarter and the income the recipient actually received during that period, provided the recipient's reports were complete and accurate. (Continued)

.5 Section 44-350.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Overpayments Due to the Inability to Provide Ten-Day Notice of Adverse Action

An overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including the QR 7.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11004 (Ch. 270, Stats. 1997), 11004.1, 11056, and 11265.1, Welfare and Institutions Code; Section 37 of AB 444 (Ch. 1022, Stats. 2002); 45 CFR 233.20(a)(13); and Administration for Children and Families (ACF) Action Transmittals (AT) 94-11 and 94-20.

- 1) Amend Section 44-352 to read:
- 2) Amend Sections 44-352.111(QR) and .112, and Handbook Section 44-352.121(a)(2)(QR) to read:

44-352 OVERPAYMENT RECOUPMENT

44-352

.1 Calculation of the Overpayment

When it is determined that an overpayment exists, calculate the amount of the overpayment and determine the appropriate methods of recovery.

.11 Overpayment due to "excess property"

- .111 Section 44-352.111(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) ~~Excess property overpayments shall be assessed based on information that should have been reported on the QR 7. If an AU held excess property in the QR Data Month and failed to report it on the appropriate QR 7 or if the county failed to act correctly on the QR 7, Unless the excess property was spent down prior to the first day of the next QR Payment Quarter, which followed the QR 7 on which the excess property should have been reported, the county shall determine the an excess property overpayment based on an accurate report and/or correct county action: when: Also see Section 40-125.951(QR).~~

(a) Property information that should have been reported on the QR 7 was not reported; or

(b) The county failed to act correctly on property information reported on the QR 7. Also see Section 40-125.951(QR).

- .112 When a recipient has haeld property in excess of eligibility limits, the overpayment shall be calculated as follows:

(a) (Continued)

(1) (Continued)

(b) (Continued)

(c) (Continued)

(d) (Continued)

(1) (Continued)

HANDBOOK BEGINS HERE

(A) (Continued)

1. (Continued)
2. (Continued)
3. (Continued)
4. (Continued)
5. (Continued)
6. (Continued)

HANDBOOK ENDS HERE

- (e) If the county determines that the recipient received aid in "good faith", in accordance with .112(d) above, the amount of the overpayment is the lesser of the amount of excess property calculated in .112(b) above or the total grant paid as calculated in .112(c) above.

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(1) (Continued)

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- (f) If the county determines that the recipient did not receive aid in "good faith", the amount of the overpayment shall be the total grant paid during the month(s) the excess property was held, as calculated in .112(c) above.

.12 Overpayment due to income or need or circumstances other than excess property.

Section 44-352.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) An overpayment shall be assessed when an AU receives more cash aid than entitled to as a result of not reporting income or circumstances timely, or the county does not act correctly on a recipient report, or the county did not act timely. The county shall redetermine the cash aid the recipient should have received based on the required report and correct county action.

.121 (Continued)

(a) (Continued)

(1) Sections 44-352.121(a)(1)(QR) and (2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to Director's QR/PB Declaration.

(QR) If a recipient fails to report income timely or the county fails to act correctly or timely on a recipient report, the county shall redetermine the cash aid the recipient should have received based on an accurate report and correct county action. If the recalculation results in an overpayment, the date that the overpayment begins is the first date that the change would have been made if timely and correct action had been taken based on the complete, timely and accurate recipient report.

(QR) (2) When recomputing cash aid results in an overpayment, the county shall recreate case circumstances using the correct county processing time frames based on what the recipient should have reported.

HANDBOOK BEGINS HERE

Handbook Section 44-352.121(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to Director's QR/PB Declaration.

(QR) In the quarter designated as October/November/December 2004, the county determines through an IEVS match that an AU had income that exceeded the IRT early January 2005 (January 5). (The quarter in which the income was received was January/February/March). The AU is still receiving the same level of income in the current July/August/September 2005 quarter and has never reported the income in a mid-quarter report or on any of the QR 7s that have been submitted. The county determines that the AU should have reported this change by January 15, and should have been discontinued due to financial ineligibility effective January 31. The AU should be discontinued with a 10-day notice and An overpayment would be established beginning February 1 through the month of discontinuance.

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(b) (Continued)

.4 Methods of Recovery

All of the following methods may be used concurrently. However, those methods should be used that will result in the maximum recovery.

.41 Grant Adjustments

Section 44-352.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Under QR/PB, recoupment by grant adjustment shall only be initiated at the beginning of a QR Payment Quarter. Grant adjustment shall be discontinued mid-quarter when the debt is paid in full. A new overpayment collection may continue mid-quarter by grant adjustment if the new collection of the overpayment does not decrease aid mid-quarter.

.42 If the overpayment is to be recovered by grant adjustment, the following method shall be used:

.421 (Continued)

.422 (Continued)

.423 (Continued)

.424 (Continued)

.43 (Continued)

.44 (Continued)

.45 (Continued)

.451 (Continued)

.46 Nothing in .44 or .45 above shall preclude the county from arriving at a reasonable settlement of its demand for repayment with the recipient or former recipient.

.47 (Continued)

.48 (Continued)

Authority Cited: Sections 10553, 10554, and 11004(h), Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11004, 11004.1, 11008 (Ch. 270, Stats. 1997), 11017, 11155, 11155.1, 11155.2, 11257, 11265.1, 11265.2, 11450, 11450.5, 11451.5, 11452, 11453, and 11453.2, Welfare and Institutions Code; Darces v. Woods (1984) 35 Cal.3rd 871:201 Cal.Rptr. 807, and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

Amend Section 44-400 to read:

44-400 REDUCED INCOME SUPPLEMENTAL PAYMENTS

44-400

Section 44-400(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR).1 Definitions

(MR)(a) "Reduced Income Supplemental Payment" means a payment issued to help maintain an AFDC assistance unit during the time it takes for the assistance payment to reflect a change in income. Reduced income supplemental payments are made to assistance units which experience a decrease or termination of reported income, as defined in MPP Section 44-402.22(MR), which leaves the assistance unit needy as a result of the time lag inherent in the retrospective budgeting process. New or increased allowable disregard amounts in the reduced income supplemental payment month may result in eligibility for a reduced income supplemental payment.

(MR)(b) "Reduced Income Supplemental Payment Month" means the month in which the reduced income supplemental payment is requested and for which eligibility for the reduced income supplemental payment exists.

(MR)(c) "Net available income" means the actual income, including the retrospectively budgeted grant, available to the assistance unit for living expenses in the Reduced Income Supplemental Payment Month. See Section 44-402.2(MR).

(MR).2 General

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(MR).21 There is no federal financial participation available for Reduced Income Supplemental Payments.

HANDBOOK ENDS HERE

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 37 of AB 444 (Chapter 1022, Statutes of 2002).

Amend Section 44-401 to read:

44-401 ELIGIBILITY FOR A REDUCED INCOME SUPPLEMENTAL PAYMENT 44-401

Section 44-401(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR).1 An assistance unit shall not be eligible for a reduced income supplemental payment if the assistance unit's total estimated net nonexempt income for the reduced income supplemental payment month is the same as, or greater than, the total net nonexempt income budgeted from the corresponding budget month.

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- (MR) (See Section 44-113 for computation of net nonexempt income.)

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(MR).11 (Continued)

- (MR).2 An assistance unit shall be eligible for a reduced income supplemental payment if its estimated net nonexempt income for the reduced income supplemental payment month is lower than its reported net nonexempt income in the corresponding budget month and if the following conditions are met:

- (MR).21 The assistance unit is eligible for AFDC in the reduced income supplemental payment month or the assistance unit is in a month of suspension resulting from the receipt of income.

- (MR).22 The estimated net available income for the reduced income supplemental payment month is less than 80 percent of the MAP for the assistance unit.

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- (MR) (See Section 44-402.2(MR) regarding net available income.)

HANDBOOK ENDS HERE

- (MR).23 The assistance unit has requested the reduced income supplemental payment in the same month in which eligibility for the reduced income supplemental payment exists. The month in which eligibility exists is the reduced income supplemental payment month.

(MR) .231 The assistance unit shall use the AFDC Reduced Income Supplemental Payment Request form (CA 40) to request the reduced income supplemental payment.

(MR) .232 The date of receipt of the CA 40 shall be determined as follows:

(MR) (a) If the recipient hand-delivers the CA 40 to the CWD, the date the CWD receives the request shall constitute the date the request is made.

(MR) (b) If the CA 40 is mailed, the date of postmark shall constitute the date the request is made. When the postmark is illegible and the CWD receives a CA 40 for a reduced income supplemental payment for the current month, the CWD shall presume, in the absence of other evidence, that such request was made during the current month if the CA 40 is dated in the current month. When the postmark is illegible and the CWD receives a CA 40 for the prior month, the CWD shall presume that the recipient made a request during the prior month if the CA 40 is received by the CWD by the second postal delivery day of the current month and the CA 40 is dated in the prior month.

(MR) .233 Such a request shall provide the CWD with the following information:

(MR) (a) All information necessary for the CWD to estimate the reduced income supplemental payment month's income and circumstances, to the extent that the recipient is able to provide such information.

(MR) (b) Adequate verification of the expected drop in income, if available to the recipient; if unavailable, the recipient shall authorize the CWD to obtain verification. Where verification is unobtainable, the CWD may accept the declaration in (c) below in lieu of verification.

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(MR) (See Section 40-157.2 for more detail on procedures for gathering evidence.)

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(MR) (c) A declaration under penalty of perjury that, to the best of the recipient's knowledge, the information provided is true and correct. The Reduced Income Supplemental Payment Request form (CA 40) shall be sufficient for this purpose.

(MR) .3 Eligibility for a reduced income supplemental payment shall be determined for each request.

(MR).4 No more than one reduced income supplemental payment per month may be granted to an assistance unit even if the actual net available income is lower than estimated. However, if there is an error in the computation of the net available income, the reduced income supplemental payment shall be corrected.

(MR).5 If a reduced income supplemental payment is granted in a suspense month because of a significant drop in the family's income, aid payments for the two months following the suspension shall be computed using prospective budgeting.

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(MR) (See Section 44-315.63.)

(MR).51 In these circumstances, a reduced income supplemental payment would not be made in the month following the suspension.

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(MR).6 No reduced income supplemental payment shall be made to any assistance unit when such payment would be counted as income under the federal AFDC program.

(MR).7 The needs of any person who has been excluded from the assistance unit shall not be considered when computing the reduced income supplemental payment for the remaining eligible members of the assistance unit.

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(MR) For example, see MPP Section 43-107.47.

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Authority Cited: Sections 10552 and 10554, Welfare and Institutions Code.

Reference: Section 37 of AB 444 (Chapter 1022, Statutes of 2002).

Amend Section 44-402 to read:

44-402 COMPUTATION OF A REDUCED INCOME
 SUPPLEMENTAL PAYMENT

44-402

Section 44-402(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR).1 A reduced income supplemental payment shall equal the difference between 80 percent of the AU MAP level minus the family's available net nonexempt income estimated for the reduced income supplemental payment month.

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(MR).11 See Section 44-315.3421 for the current 80% of MAP amounts.

HANDBOOK ENDS HERE

(MR).12 When the subtraction of the net available income from 80 percent of the MAP level results in zero or less than zero, there shall be no reduced income supplemental payment.

(MR).2 Net available income is determined by adding the retrospectively budgeted grant amount as described in Section 44-402.21(MR) to the estimated other available income, as described in Section 44-402.22(MR).

(MR).21 The total grant amount, in accordance with Section 44-315.43, retrospectively budgeted from the budget month to the payment month, that the assistance unit would otherwise receive with the following exceptions:

(MR).211 Special needs shall not be considered part of the grant amount for the payment month. This includes recurring special needs, nonrecurring special needs and the pregnancy special need payment.

(MR).212 The amount that would otherwise be adjusted to recover an overpayment shall not be considered when considered the amount for the payment month.

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(MR)Note: Any overpayment recoupment that was based on retrospectively budgeted income that is not available in the payment month shall be corrected in accordance with MPP Section 44-352.4.

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- (MR).213 Any portion of the grant which represents a child support penalty shall not be considered when computing the grant amount for the payment month.
- (MR).22 The total net nonexempt income estimated to be available in the reduced income supplemental payment month shall be established in accordance with the income definitions in Chapter 44-100 plus the \$50 child/spousal support disregard.
- (MR).3 The ten dollar (\$10) payment limit specified in Section 44-315.5 shall not apply to the reduced income supplemental payments.
- (MR).4 Liquid resources and underpayment adjustments for prior months shall not be considered net available income.
- (MR).5 A reduced income supplemental payment shall not be considered income when calculating the amount of the grant to be paid in future months.
- (MR).6 No overpayment or underpayment shall be assessed against a reduced income supplemental payment which was correctly computed based on the assistance unit's reasonable estimate of expected income and other circumstances for the reduced income supplemental payment month.

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(MR).7 Example of Reduced Income Supplemental Payment Issuance:

An AU of two, a mother and one child, nonexempt and residing in Region 1, has a grant of \$188 in January. The mother's hours of employment are reduced effective December 31 of the preceding year. She was receiving \$500 a month but her wages were reduced to \$295 and she expects no additional income in January. She receives \$50 child support disregard per month from the county welfare department for child support received by the county. The mother applies for a RISP on January 8. The county determines that there is a decrease in net nonexempt earned income from November to January.

Computation:

Step 1 - Computing Total Available Income

\$ 295	Estimated earned income in January
<u>- 225</u>	Income Disregard
\$ 70	Subtotal
<u>- 35</u>	50% Earned Income Disregard
\$ 35	Net Nonexempt Income

+188	Aid in January (before overpayment adjustment, if applicable)
+ 50	Child Support Disregard received in January
<u>+ 35</u>	Net nonexempt income
\$ 273	Total available income in January

Step 2 - Computing RISP Payment

\$ 394	80% of AU MAP (\$493) for two <u>[Rounded down]</u>
<u>- 273</u>	Minus Total Available income
\$ 121	Reduced Income Supplemental Payment

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Authority Cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code.

Reference: Sections 11008, 11017, 11255, 11450, 11450.015, 11450.12, 11450.2, and 11451.5, (Ch. 270, Stats. 1997), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 237.27; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

Amend Section 47-220.31 to read:

47-220 ELIGIBLE CLIENTS (Continued)

47-220

.3 Other Stage One Clients

Stage One child care shall also be paid for the following individuals:

.31

Section 47-220.31(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Clients During a Suspense Month

Stage One clients who experience a period of temporary ineligibility for a cash grant that is not longer than one month, as long as they are participating in county-approved activities, or are employed; (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: 42 U.S.C. 601 et seq., 42 U.S.C. 607(c)(1)(B)(ii); 42 U.S.C. 609(a)(3); 42 U.S.C. 9858i(a)(2)(A); 42 U.S.C. 9801 Note (b)(4); Sections 8263, 8350.5, 8351(c), 8353, 8354 and 8357, Education Code; Sections 10540, 10544, 11265.2, 11266.5, 11320.3, 11322.8, 11323.2 and 11323.8, Welfare and Institutions Code.

Amend Section 47-320.2 to read:

47-320 INFORMATION COLLECTION (Continued)

47-320

.2 Client Responsibility

The following information shall be provided by the client: (Continued)

.27

Section 47-320.27(MR) shall become inoperative and Sections 47-320.27(QR) and .28(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Change in Family Size or Income

Information about changes in family size and composition or changes in family income.

(QR) Change in Family Size and Composition

Information about changes in family size and composition when an absent parent of a child receiving child care moves into the home or another child moves into the home, including newborns; or

(QR) .28 Change in Family Income

Information about changes in income that result in the family income reaching or exceeding the family fee thresholds provided in the Family Fee Schedule established by the Superintendent of Public Instruction pursuant to Education Code Section 8263. (See Handbook Section 47-401.8). Information about changes in income that reduce or eliminate the family fee shall also be reported.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: 42 U.S.C. 9858i(a)(2)(A) and (a)(2)(E); 45 CFR 98.20(a)(1)(ii); 45 CFR 98.71(a) and (b); Sections 8208.1, 8263, 8352 and 8357, Education Code; Sections 11054 and 11323.2, Welfare and Institutions Code.

Amend Section 48-001.114 to read:

48-001 COUNTY DEPARTMENT RESPONSIBILITY FOR RECORDS

48-001

- .1 The county shall maintain a record for each applicant and recipient which identifies each individual and family, their address and household composition for AFDC. The record shall identify each child and his/her parents, their address and household composition. (See Section 20-005 on record requirements for fraud cases.) The record shall also include:

.11 Records - Eligibility and Grant (Continued)

- .114 Section 48-001.114(MR) shall become inoperative and Section 48-001.114(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The basis for county action granting, denying, changing, suspending, delaying, cancelling, or discontinuing aid.

(QR) The basis for county action granting, denying, changing, not changing following a recipient mid-quarter report, delaying, cancelling, or discontinuing aid. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.3, Welfare and Institutions Code.

Amend Section 80-301 to read:

80-301 DEFINITIONS

80-301

The following definitions apply to the regulations in Divisions 40 through 50 and 80 through 90.

(a) (Continued)

(9) Assistance Unit (AU)

Section 80-301(a)(9)(MR) shall become inoperative and Section 80-301(a)(9)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

"AU" means a group of related persons living in the same home who have been determined eligible for AFDC.

(QR)

"AU" means a group of related persons living in the same home who have been determined eligible for CalWORKs and for whom cash aid has been authorized.

(b) (Continued)

(c) (Continued)

(5)

Section 80-301(c)(5)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) County Initiated Actions

"County Initiated Actions" means Mid-quarter actions that the county is required to take pursuant to Section 44-316.33(QR).

(d) (Continued)

(e) (Continued)

(f) (Continued)

(g) (Continued)

(h) (Continued)

(i) (Continued)

(j) (Continued)

(k) (Continued)

(l) (Continued)

(m) (Continued)

(2)

Section 80-301(m)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration

(QR) Mandatory Recipient Reports

"Mandatory Recipient Reports" means mid-quarter reports that recipients are required to make within ten days of occurrence to the county pursuant to Section 44-316.32(QR).

(3) Medical Verification of
Pregnancy

(Continued)

(4)

Section 80-301(m)(4)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration

(QR) Mid-Quarter Reports

"Mid-Quarter Reports" means any change reported during the QR Payment Quarter outside of the QR 7 report process.

(5) Minor Parent

(Continued)

(n) (Continued)

(o) (Continued)

(p) (Continued)

(q) (Continued)

(r) (Continued)

(s) (Continued)

(t) (Continued)

(u) (Continued)

(v) (1)

Section 80-301(v)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Voluntary Recipient Reports

"Voluntary Recipient Reports" means mid-quarter reports that recipients may make to the county pursuant to Section 44-316.31(QR).

(w) (Continued)

(x) (Continued)

(y) (Continued)

(z) (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

TERM (Continued)	PREVIOUS CITE	REFERENCE
Assistance Unit	N/A	45 CFR 233.90, 42 USCA(a)(38), and SSA-AT-86-01. (Continued)
County Initiated Actions	N/A	Section 11265.2, Welfare and Institutions Code. (Continued)
Mandatory Recipient Reports	N/A	Section 11265.3, Welfare and Institutions Code. (Continued)
Mid-Quarter Reports	N/A	Section 11265.3, Welfare and Institutions Code. (Continued)
Voluntary Recipient Reports	N/A	Section 11265.3, Welfare and Institutions Code.

- 1) Amend Section 80-310 to read:
- 2) Amend Section 80-310(d)(q)(1)QR 2, (4) QR 7A, (5) QR 22, and (6) QR 25A and repeal Section 80-310(c)(16) to read:

80-310 DEFINITIONS -- FORMS

80-310

- (a) (Continued)
- (b) (Continued)
- (c) (Continued)

(7)

Section 80-310(c)(7)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) CA 22

The "Alien Sponsor's Statement of Facts Regarding Income and Resources (Supplemental Application for Food Stamps and AFDC)" (Rev. 10/85) is the form used to collect the information about the alien sponsor necessary to determine the eligibility of an applicant who is a sponsored alien. (Continued)

(12)

Section 80-310(c)(12)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) CW 7

The "Monthly Eligibility Report" (Rev. 7/00) is used to collect information for cash aid and food stamps. The CW 7 replaces the CA 7. (Continued)

(16)

~~Section 80-310(c)(16)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.~~

~~(QR) CW 20~~

~~The "Statement of Facts Supporting Eligibility for Assistance Redetermination" is used to collect the information necessary to determine eligibility at the time of the annual redetermination.~~

- (d) (Continued)

(e) (Continued)

(f) (Continued)

(g) (Continued)

(h) (Continued)

(i) (Continued)

(j) (Continued)

(k) (Continued)

(l) (Continued)

(m) (Continued)

(n) (Continued)

(o) (Continued)

(p) (Continued)

(q)

Sections 80-310(q)(1)(QR) through (11)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) (1) QR 2

The "Reporting Changes for Your Cash Aid Assistance Unit and Food Stamp Households" (Rev. 4/03) may be used to inform the recipient of their Income Reporting Threshold (IRT) and reporting responsibilities.

(QR) (2) QR 3

The "Mid-Quarter Status Report" (Rev. 4/03) may be used by recipients to report mandatory and/or voluntary mid-quarter changes in writing. Clients are not mandated to use this form and counties shall also accept mid-quarter reports that are submitted in a manner other than on the QR 3.

(QR) (3) QR 7

The "Quarterly Eligibility/Status Report" (Rev. 4/03) is used to collect information to determine eligibility and benefits for cash aid and food stamps. The QR 7 comes with an addendum that lists examples of income and expenses and the penalties for fraud.

(QR) (4) QR 7A

The "How to Fill Out Your QR 7 Quarterly Eligibility/Status Report" (Rev. 4/03) instructs recipients on how to fill out the Quarterly Report (QR 7). The QR 7A shall be given to applicants at the time of application and to recipients at each annual redetermination. The form shall also be made available anytime the client requests it.

(QR) (5) QR 22

The "Sponsor's Statement of Facts Income/ and Resources (Supplemental Application fFor Food Stamps aAnd CalWORKs Cash Aid)" (Rev. 9/03 7/04) is used to collect necessary information about a noncitizen's sponsor for determining eligibility for the noncitizen.

(QR) (6) QR 25A

The "Payee Agreement/For Minor Parent" (Rev. 5/04) is used in minor parent cases to delegate an adult payee.

(QR) (7) QR 29

The "Applicant Test" (Rev. 5/04) is used to determine if the applicant is eligible for Cash Aid.

(QR) (8) QR 30

The "CalWORKs Budget Worksheet" (Rev. 6/04) is used to determine the aid payment amount for the AU.

(QR) (9) QR 72

The "Sponsor's Quarterly Income and Resources Report" (Rev. 5/04) is used to gather necessary information each quarter from a noncitizen's sponsor that is used to determine continuing eligibility and grant level for the noncitizen.

(QR) (10) QR 73

The "Senior Parent Quarterly Income Report" (Rev. 6/04) is used to collect necessary information from the senior parent to determine continuing eligibility and grant levels for the minor parent.

(QR) (11) QR 2103

The "Reminder for Teens Turning 18 Years Old" (Rev. 10/03) is used to inform recipient children who will be turning 18 within 60 days of the requirements for continued eligibility.

(r) (Continued)

(s) (Continued)

(3)

Section 80-310(s)(3)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) SAWS 2A-QR

The "Rights, Responsibilities and Other Important Information" (Rev. 8/03) is used to inform applicants and recipients of their rights and responsibilities.

(4) (Continued)

(5) (Continued)

(6) (Continued)

(7) (Continued)

(t) (Continued)

(5)

Section 80-310(t)(5)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) TEMP QR 1

The "New Reporting Requirements for CalWORKs and Food Stamp Recipients" (Rev. 8/03) is a mass informing notice sent to recipients on a monthly basis for a period of three months before and three months after implementation of QR/PB. The informing notice shall be given to applicants who apply during the reporting transition. This notice explains the change from monthly reporting to quarterly reporting.

(6) (Continued)

(u) (Continued)

(v) (Continued)

(w) (Continued)

(x) (Continued)

(y) (Continued)

(z) (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 45 CFR 206.10(a)(8); Sections 10553, 10950, 11054, 11265.1, 11265.2, 11265.3, 11450(b), 12300, 12300.2, 12304, 12304.5, and 14132.95, Welfare and Institutions Code; and Judgment Re: Tyler v. Anderson, Sacramento Superior Court Case No. 376230, dated January 22, 1999; 8 USC Section 1631; and 179817, Civil Code.

Amend Section 82-612.3 to read:

82-612 UNEMPLOYMENT INSURANCE BENEFITS (UIB) (Continued)

82-612

.3 Date of Discontinuance

Section 82-612.3(MR) shall become inoperative and Section 82-612.3(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The county shall discontinue the AU on the last day of the month in which a person who is required to apply for or accept UIB fails to do so, or fails to meet one of the eligibility conditions in Section 82-612.7.

(QR)

The county shall discontinue the AU at the end of the QR Payment Quarter in which a person who is required to apply for or accept UIB fails to do so, or fails to meet one of the eligibility conditions in Section 82-612.7. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.2, and 11270, Welfare and Institutions Code and 45 CFR 233.20(a)(3)(ix).

Amend Section 82-812.687(a) to read:

82-812 TEMPORARY ABSENCE (Continued)

82-812

.6 Exceptions to One Full Calendar (Continued)
Month Time Limitation

.68 (Continued)

.687 (Continued)

(a) Section 82-812.687(a)(MR) shall become
inoperative and Section 82-812.687(a)(QR) shall
become operative in a county on the date QR/PB
becomes effective in that county, pursuant to the
Director's QR/PB Declaration.

(MR) Monthly eligibility reporting requirements for
reunification cases are set forth in Section 40-
181.223(MR).

(QR) Quarterly eligibility reporting requirements for
reunification cases are set forth in Section 40-
181.223(QR). (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11203, 11265.1, 11269, 11323, and 11454, Welfare and Institutions
Code; and 42 USC 408(a)(10).

Amend Section 82-820 to read:

82-820 INCLUDED PERSONS

82-820

.1 Assistance Unit

Section 82-820.1(MR) shall become inoperative and Section 82-820.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

An AU shall be established when all eligibility factors have been determined.

(QR)

An AU shall be established when all eligibility factors have been met and aid has been authorized. (Continued)

.3 Mandatory Inclusion

Section 82-820.3(MR) shall become inoperative and Section 82-820.3(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The AU shall include the following persons when living in the same home and eligible:

(QR)

The AU shall include the following persons when living in the same home and eligible at the time of initial family application (see Section 44-317) or at the beginning of the QR Payment Quarter following the mandatory reporting of the individual on the QR 7 (see Section 44-318): (Continued)

Authority Cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code.

Reference: 42 USCA 606; 45 CFR 206.10(a)(1); 45 CFR 233.10(a)(1), (a)(1)(iv) and (vii); 45 CFR 233.90(c)(1)(v)(A); 45 CFR 237.50(b)(5); 45 CFR 250.34; SSA-AT-86-01; Section 242, California Civil Code; Edwards v. Healy, Civ. S. 91-1473 DFL (1992); Sections 10553, 10554, 10604, 11000, 11254, 11265.3, 11400, 11450, and 11450.16, Welfare and Institutions Code; and ACF-AT-94-5.

2) Amend Section 82-824.1 to read:

82-824 ASSISTANCE UNITS THAT SHALL BE COMBINED (Continued) 82-824

.1 Combining AUs (Continued)

(QR) .14 Combining AUs Mid-Quarter

(QR) .141

When a voluntary report is made that would combine separate AUs mid-quarter, the county shall determine if the mid-quarter action of combining the AUs would increase or decrease aid for the separate AUs.

(QR) .142

The county shall compare the monthly grant for the combined AUs to the total combined monthly grants of the separate AUs.

(QR) .143

If the combined AU's monthly grant would be higher than the total combined monthly grant of two separate AUs, the county shall take mid-quarter action to combine the AU's the first of the month following the voluntary report.

(QR) .144

If the combined AU's monthly grant does not result in an increase to the total combined monthly grant of the separate AUs, the county shall not take mid-quarter action to combine the AUs. The combining of the separate AUs shall be effective the first of the next QR Payment Quarter, after the change(s) is reported on the QR 7.

[Previous Cite: 44-205.31]

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 45 CFR 206.10(a)(1); 45 CFR 233.90; 45 CFR 237.50(b)(5); United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. SSA-AT-86-1; Section 242, California Civil Code; Anderson v. Edwards 115 S.Ct. 1291 (1995); and Sections 10553, 10554, 10604, 11000, 11265.3, and 11450, Welfare and Institutions Code.

- 1) Amend Section 82-832 to read:
- 2) Amend Section 83-832.3(QR) to read:

82-832 EXCLUDED PERSONS(Continued)

82-832

- .3 Add a Person Who Becomes Ineligible Prior to Authorization of Aid

Section 82-832.3(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR)

A new person who has been mandatorily reported on the QR 7 and determined eligible based on the QR 7 information, shall be treated as an excluded person for the next QR Payment Quarter when ineligibility occurs after the QR Data Month but prior to the authorization of aid (see Section 40-171.221). This person's income and needs, as reported on the QR 7, shall be treated in accordance with Section 44-133.5 for the next QR Payment Quarter ~~for the remaining AU members~~ and the AU shall be discontinued at the end of that quarter in which the individual was treated as an excluded person, if the subsequent QR 7 establishes that ineligibility continues to exist for the AU.

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Example:

An AU is aided based on absent parent deprivation. The current QR Payment Quarter is January/February/March. In January, the absent father returned to the home and is reported for the first time on the QR 7 for the Data Month of February. The father, who was determined to be the principal earner, was receiving UIB in the first month (January) and in the Data Month and was initially determined eligible as an unemployed parent based on the QR 7 information. However, when the county completed the interview in the Submit Month, it was learned that the father had accepted a full-time job in the Submit Month of March. Since the principal earner has accepted full-time employment and deprivation due to unemployment was not established prior to the authorization of aid for the father, the county shall deny aid to the father in accordance with Section 40-171.221(g) and instruct the AU to report the father's full-time employment on the QR 7 due in June (for May). Because ineligibility for the father has occurred after the QR Data Month but prior to the authorization of aid, his reasonably anticipated income as reported on the QR 7 for February, and his needs shall be treated as those of an excluded person in accordance

with Section 44-133.5 for the next QR Payment Quarter. The existing AU's deprivation is not affected until the father's full-time employment that occurred mid-quarter (in March) is reported on the subsequent QR 7. If the subsequent QR 7 establishes that ineligibility exists for the AU, the county shall discontinue cash aid at the end of that quarter once timely and adequate notice has been provided.

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[Previous cite: 44-206]

Authority Cited: Sections 10553, 10554, 10604, 11270, and 11369, Welfare and Institutions Code.

Reference: 8 CFR 213a. and 299; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808, 45 CFR 205.52, 45 CFR 206.10(a)(5)(i), 45 CFR 232.12(d), 45 CFR 233.10(a)(1)(i), (a)(1)(i)(B), and (a)(3), 45 CFR 233.20(a)(1)(i), (a)(3)(ii)(C) and (F), and (a)(3)(ix), 45 CFR 233.50, 45 CFR 233.51, 45 CFR 233.90(c), (c)(1), and (c)(2)(iv), 45 CFR 233.100(a)(5)(ii), 45 CFR 233.106, 45 CFR 240.22, and 45 CFR 250.34(a) and (c), and (c)(2); and Sections 11008.13, 11104, 11157, 11201(b), 11203, 11251.3, 11263.5, 11265.1, 11265.2, 11265.3; 11268, 11270, 11315, 11320.6(e), 11327.5(c), 11406.5, 11450, 11450.5, 11454, 11454.5, 11477, 11477.02, 11486, and 11486.5, Welfare and Institutions Code; and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Section 115.

- 1) Amend Section 89-110 to read:
- 2) Correct Handbook Sections 89-110.32(QR) Example 11 and .33(QR) Examples 14 and 18 to read:

89-110 MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP
RESTRICTION (Continued)

89-110

.2 Exempt and Nonexempt AUs

The CWD shall determine whether an AU is an Exempt or Nonexempt AU for purposes of the MAP amounts specified in Section 44-315.311 by using the rules in this section. (Continued)

.26 Review of AU Exemption Status (Continued)

.262

Section 89-110.262(MR) shall become inoperative and Section 89-110.262(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly Eligibility Report
Received

The CWD processes the Monthly Eligibility Report submitted by the AU.

(QR) Quarterly Eligibility Report
Received

The county processes the Quarterly Eligibility Report submitted by the AU. (Continued)

.28

Section 89-110.28(MR) et seq. shall become inoperative and Section 89-110.28(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Use of Exempt AU MAP Amount

The CWD shall use the Exempt AU or Nonexempt AU MAP in the budgeting process as follows:

(QR) Use of Exempt/Nonexempt
Amount

The county shall use the Exempt or Nonexempt AU MAP corresponding to the AU's MAP status that is reasonably anticipated for the QR Payment Quarter. (Also see Sections 89-110.291(QR) and .292(QR).)

.281	Section 89-110.281(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR) During Prospective Budgeting	During prospectively budgeted months, the CWD shall use the MAP corresponding to the AU status in that month.
.282	Section 89-110.282(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR) During Retrospective Budgeting	During retrospective budgeted months, the CWD shall use the MAP corresponding to the AU status in the budget month except as provided in Section 89-110.283(MR).
.283	Section 89-110.283(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR) Transition From Application	For the month of beginning date of aid, and for the three subsequent months, when the month of beginning date of aid and subsequent month are prospectively budgeted, the CWD shall use the MAP corresponding to the actual AU exemption status existing in the month.
.29	Section 89-110.29(MR) shall become inoperative and Section 89-110.29(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR) Change in Status	Except as specified in Section 89-110.283(MR), when the AU status changes between Exempt and Nonexempt, the CWD shall change the MAP effective for the payment month when the first month of the new status is the budget month.
(QR)	When the AU status changes between exempt and nonexempt, the county shall change the MAP status effective as follows:

.291

Section 89-110.291(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR)

- If the change is reported on the QR 7, the change in status shall be effective the first day of the next QR Payment Quarter.

.292

Section 89-110.292(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR)

If the change is reported mid-quarter and the change in status will increase cash aid as specified in Section 44-316.31(QR), the change in status shall be effective the first day of the month following the report of the change when verification has been provided.

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.3 Handbook Section 89-110.3(MR) shall become inoperative and Handbook Section 89-110.3(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Examples of Exempt and Nonexempt AUs, Financial Eligibility Determination and Grant Calculation

(QR) Examples of Exempt and Nonexempt AUs, Financial Eligibility Determination, Quarterly MAP Status Determination, and Mid-Quarter MAP Status Changes (Continued)

.32 Handbook Section 89-110.32(MR) shall become inoperative and Handbook Section 89-110.32(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determining Financial Eligibility

(QR) Determining MAP Status for Applicants

Handbook Section 89-110.32(MR) Example 11 shall become inoperative and Handbook Section 89-110.32(QR) Example 11 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 11 – Determining Status in the Month of Application

(MR) An initial application is made January 4 for an AU consisting of a father and two children. The father receives SSI/SSP at application. The SSI/SSP ends on February 28. Because eligibility is always determined concurrently, the CWD uses the Exempt MAP to determine financial eligibility for January and February and the Nonexempt MAP for March.

(QR) Example 11 – Determining MAP Status for Applicants

(QR) An initial application is made January 4 for an AU consisting of a father and two children. The applicant AU is placed in a January/February/March quarter. When applying for aid, the father was in receipt of SSI/SSP. The SSI/SSP ends on February 28. Since the MAP status is determined prospectively for the entire quarter based on the applicant's status at the time application is made approved, the county uses the Exempt MAP to determine financial eligibility and cash aid for the entire quarter.

Handbook Section 89-110.32(MR) Examples 12 and 13 shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 12 – Determining Status for Recipients

(MR) The recipient began receiving SDI on January 5. The recipient reported the income timely and provides proof of the income. Based on these facts, the recipient's status changed to Exempt effective as of the month of February. Because eligibility is always determined concurrently, and assuming the recipient continues to receive SDI during these months, the CWD should use exempt MAP to determine financial eligibility for February, March, and following months until the recipient's status changes.

(MR) Example 13 – The AU Changes from Nonexempt to Exempt to Nonexempt MAP

(MR) An AU consists of a mother and her child. The mother begins receiving SDI on March 15 and the SDI ends on April 22. To determine financial eligibility, the CWD uses the Nonexempt MAP for March because the mother began receiving the SDI after the first of the month, Exempt MAP for April because she was eligible for the Exempt MAP on the first of the month, and Nonexempt MAP for May and all subsequent months because she did not receive SDI benefits in those months.

.33 Handbook Section 89-110.33(MR) shall become inoperative and Handbook Section 89-110.33(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Calculating the Grant

(QR) Determining MAP Status for Recipients

Handbook Section 89-110.33(MR) Example 14 shall become inoperative and Handbook Section 89-110.33(QR) Example 14 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 14 – Transition to Retrospective - Budgeting Continuous Status

(MR) Aid is effective July 12 for an AU consisting of a father and his child. The father reports that he is receiving TDI at application but it is expected to end on October 5; he is not expected to get any of the other benefits specified in Section 89-110.22. The CWD uses the exempt status for the prospectively budgeted months of July and August. The father confirms that his TDI ended in October. The exempt MAP status will be used for the corresponding budgeted months for November and December. The CWD will begin to use the nonexempt MAP for the January grant payment.

(QR) Example 14 – Determining Status for Recipients.

(QR) An existing AU is in an October/November/December quarter. On the November QR 7, the recipient reported the receipt of SDI in the Data Month. The county agrees with verifies the recipient's QR 7 information and uses the Exempt MAP status to determine financial eligibility and cash aid for the next QR Payment Quarter.

Handbook Section 89-110.33(MR) Example 15 shall become inoperative and Handbook Section 89-110.33(QR) Example 15 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 15 – Late Discovery Due to Client's Failure to Timely Report

(MR) The AU consists of a parent and his child. The father starts receiving SDI in June but does not report the income to the CWD until November. The father provides verification of this income in November and requests review of his status. The first month of Exempt status is November, since MPP Section 89-110.271 provides that the status change shall not be effective for any months prior to a request for review when the status change results from a request for review. Because the AU is already in retrospective budgeting, the CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for January, the payment month that corresponds to the budget month that reflects the father's new status.

(QR) Example 15 – Late Discovery Due to Client's Failure to Timely Report

- (QR) The AU consists of a parent and his child. The AU is in an April/ May/June quarter. The father starts receiving SDI in May but does not report the information on the QR 7. On July 2, the father voluntarily requests mid-quarter review of his status and provides the appropriate verification of his exempt status. The first month the Exempt MAP status is effective is August. Section 89-110.271 provides that the MAP status change shall not be effective for any months prior to a request for review when the status change results from a request for review and Section 89-110.292(QR) provides that increases to aid due to a recipient mid-quarter voluntary report are not effective until the first of the month following the report.

Handbook Section 89-110.33(MR) Example 16 shall become inoperative and Handbook Section 89-110.33(QR) Example 16 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 16 – Late Discovery Due to Administrative Error

- (MR) The AU consists of a parent and her child. The AU is in retrospective budgeting. The parent begins receiving TWC on May 6; she reports the income and provides verification on the Monthly Report for May. The CWD did not begin using the income or the appropriate Exempt MAP for the August payment month due to administrative error. In November, the CWD conducts an annual redetermination and discovers the error. At that time, the parent requests review of the AU status. The change in the AU's status should have been known to the CWD based on the timely submitted monthly eligibility report (CW 7), rather than solely on the parent's request for review. The CWD acts to process the case based on the actual report of income and to recompute the grant for overpayment or underpayment purposes. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for August, the payment month that corresponds to the budget month that reflects the status change.

(QR) Example 16 – Late Discovery Due to Administrative Error

- (QR) The AU consists of a mother and her child. The AU is in an April/May/June quarter. The mother's SDI benefits end on May 11 and the mother no longer qualifies for the Exempt MAP status. The AU reports the information correctly on their May QR 7 due in June. However, the county incorrectly processes the QR 7 and continues to use the Exempt MAP status for the July/August/September quarter. In July, the county discovers the error. Since the effective date of the MAP status change for the QR Payment Quarter was July 1, the county shall take mid-quarter action to correct the error. The county shall recompute eligibility and cash aid for the entire QR Payment Quarter using the nonexempt status. The county shall recompute aid for the remaining months of the quarter and shall make an overpayment or underpayment determination for the month of July.

Handbook Section 89-110.33(MR) Example 17 shall become inoperative and Handbook Section 89-110.33(QR) Example 17 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 17 – Initial Application – Prospective Budgeting – Change to Exempt

(MR) An initial application is made June 10 for an AU consisting of a parent and his child. June and July are the AU's prospectively budgeted months. On June 14 the parent begins receiving TWC. The applicant reports timely and provides proof of the income to the CWD. The CWD provides the AU with the appropriate notice of action and shall use the Exempt MAP for the June payment month.

(QR) Example 17 – Mid-Quarter Status Review Request

(QR) An existing AU, a father and his child, is in an April/May/June quarter. Eligibility and cash aid for this quarter has been determined using the February QR 7 information. On May 15, the recipient voluntarily reports mid-quarter that they began receiving SDI in lieu of their full time job on May 7. The recipient provides the necessary verification within 10 days of the report. The county determines that this voluntary mid-quarter report will increase cash aid (see Section 44-316.31(QR)). The county changes the recipient's MAP status for the AU from Nonexempt MAP to Exempt MAP beginning in June and will continue to use the status until the AU reports a status change on either the QR 7 or a mid-quarter report.

Handbook Section 89-110.33(MR) Example 18 shall become inoperative and Handbook Section 89-110.33(QR) Example 18 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 18 – Determining the Month of Change When The Family Is In Retrospective Budgeting

(MR) A family with a nonneedy caretaker relative gets Exempt MAP. The father joins the AU in mid-November. He does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. The AU is in retrospective budgeting. The AU's Exempt status ends on November 30. However, since the father joined the AU in November, after the first of the month, the AU is entitled to the Exempt MAP for December and January, based on the AU's Exempt status for the budget months of October and November. The CWD will use the Nonexempt MAP for February, the payment month that corresponds to the budget month that reflects the status change (December). Except as specified in Section 89-110.283(MR) [regarding beginning date of aid and prospective budgeting], when the AU status changes between Exempt and Nonexempt, the CWD shall change the

MAP effective for the payment that corresponds to the budget month that reflects the status change.

(QR) Example 18 – Mid-Quarter Voluntary Report to Add a Person

(QR) An AU of one, a pregnant woman only case, is in an October/November/December quarter. The AU has been receiving aid based on exempt MAP status in accordance with Section 89-110.213. On November 5, the mother voluntarily reports to the county, the birth of the child and requests aid for the child. When determining the eligibility to add the child December 1, the county determines that the potentially "new AU" (the existing AU and the added the person) does not meet exempt MAP status. The county uses the Nonexempt MAP status to determine if the child is CalWORKs eligible and if the newborn's addition into the existing AU increases the grant. If the newborn increases cash aid for the existing AU, the Nonexempt MAP status shall be effective December 1 and will continue until a change in status is reported on either a QR 7 or a mid-quarter report.

(QR) If the newborn's addition into the AU would decrease cash aid, the Nonexempt MAP status shall be effective the first day of the next QR Payment Quarter and will continue until a change in status is reported on either a QR 7 or a mid-quarter report.

Handbook Sections 89-110.33(MR) Examples 19 through 24 shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 19 – Transition from Application – Retrospective Budgeting

(MR) An initial application is made July 12 for an AU consisting of a parent and her children. The parent receives TWC at application. July and August are the prospectively budgeted months. September and October are the corresponding two retrospectively budgeted months. The TWC ends in September. The CWD uses the Exempt MAP for July, August, and September and the Nonexempt MAP for October, corresponding to the actual AU status existing in each of these months as specified in Section 89-110.283(MR). Exempt MAP is used for November (because the AU received Exempt MAP in September) and Nonexempt MAP for December (because the AU had Nonexempt MAP in October). Additionally, Nonexempt MAP is used for all months after December, corresponding to the AU status in the budget month as specified in Section 89-110.29(MR).

(MR) Example 20 – Timely Discovery – Nonexempt to Exempt

(MR) The AU consists of a father and his son and the AU is getting the Nonexempt MAP. The AU is in retrospective budgeting. The father reports and verifies that he started getting SSI/SSP on November 15 on the Monthly Report for November. The Nonexempt MAP continues for December and January based on the Nonexempt status for the months of October and November. The father's status change becomes

effective December 1. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for February, the payment month that corresponds to the budget month that reflects the status change.

(MR) Example 21 - CalWORKs Welfare to Work (WTW) Sanction – Nonexempt to Exempt

(MR) The AU consists of one parent and two aided children. The AU receives Nonexempt MAP. The AU is in retrospective budgeting. On January 1, the parent started a six-month sanction period for non-cooperation with the CalWORKs WTW requirements. On the Monthly Report for February, the parent reported and verified that he started to receive SDI on February 15. The change in the AU's status from Nonexempt to Exempt MAP is effective March 1. The parent's WTW sanction has no impact on Exempt/Nonexempt MAP status. Therefore, since the AU was already using retrospective budgeting, the Nonexempt MAP continues for March and April based on the Nonexempt status in January and February. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for May, the payment month that corresponds to the budget month that reflects the status change.

(MR) Example 22 - Add A Person – Nonexempt to Exempt

(MR) An existing AU consists of a parent and her child. The parent does not meet any exemption criterion specified in Section 89-110.2 and the CWD is using the Nonexempt MAP. The AU is in retrospective budgeting. On June 10, that parent (mother) reports and verifies receipt of SSI/SSP. On June 12, the second parent joins the home. The second parent receives TDI benefits and is added to the AU effective June 12 using the current Nonexempt MAP. Since each parent meets the exemption criterion, the CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for September, the payment month that corresponds to the budget month (July) that reflects the status change.

(MR) Example 23 – Add A Person – Exempt to Nonexempt

(MR) The AU consists of a grandmother and her two aided grandchildren. The grandmother receives TWC. The mother and father, who are unemployed, move back into the home in March. Neither parent receives one of the benefits specified in Section 89-110.22 or meets any other criterion to receive an exemption. Since the AU was already using retrospective budgeting, the Exempt MAP continues for April and May based on the Exempt status for February and March. The CWD provides the AU with the appropriate notice of action and begins to use the Nonexempt MAP in June, the payment month that corresponds to the budget month (April) that reflects the status change.

(MR) Example 24 – Delete A Person – Exempt to Nonexempt

(MR) A family consists of two parents and their child with deprivation based on incapacitated parent. One parent receives SSI/SSP and is not in the AU; the second parent, who is in the AU, receives SDI. The AU is in retrospective budgeting and the CWD is using the Exempt MAP. In June, the parent who receives SSI/SSP leaves the home and the second parent's SDI ends. The needs and income of the parent who left are not used for July and continuing. However, since the AU was already using retrospective budgeting, the Exempt MAP continues for July and August based on the Exempt status for May and June. The CWD provides the AU with the appropriate notice of action and begins to use the Nonexempt MAP for September, the payment month that corresponds to the budget month (July) that reflects the status change.

HANDBOOK ENDS HERE

.4 (Continued)

Authority Cited: Sections 10553, 10554, 11209, and 11450(g), Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11450.01, 11450.015, 11450.03, and 11450.5, Welfare and Institutions Code; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Memorandum of Decision and Order in Green v. Anderson, (Civ. S-92-2118) dated January 28, 1993; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

Amend Section 89-130 to read:

89-130 RESTRICTED ACCOUNTS FOR RECIPIENTS (Continued)

89-130

(l) Applying the Period Ineligibility

Section 89-130(l)(MR) shall become inoperative and Section 89-130(l)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month following the nonqualifying withdrawal.

(QR)

When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next QR Payment Quarter following the reported nonqualifying withdrawal on the QR 7 and continue for the determined number of months.

(1)

Section 89-130(l)(1)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) One Month of Ineligibility

When ineligibility exists for only one month, the county shall suspend aid on the first day of the month following the nonqualifying withdrawal.

HANDBOOK BEGINS HERE

(m) Examples

(1) Example 1:

Handbook Section 89-130(m)(1)(MR) et seq. shall become inoperative and Handbook Section 89-130(m)(1)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

Bank balance prior to 5/96 withdrawal: \$5,000
Amount withdrawn from account: \$4,500
Amount used to purchase home: \$3,000
Amount used to buy furniture: \$1,500

(A)

Since the AU used a portion of the withdrawal on a nonallowable expenditure, the county shall calculate a period of ineligibility as follows:

1. \$5,000 balance prior to withdrawal
-3,000 allowable expense for purchase of home
\$2,000 remainder
2. Divide the remainder (\$2,000) by MBSAC + special needs for an AU of 3
($\$2,000 \div \$715 = 2.79$)
3. Round down the result to the nearest whole number (2).
4. The AU is ineligible for two months beginning 6/96 due to a nonqualifying withdrawal.

(QR)

An AU of Three is in a April/May/June Quarter.

Bank balance prior to May withdrawal: \$5,000
Amount withdrawn from account: \$4,500
Amount used to purchase home: \$3,000
Amount used to buy furniture: \$1,500

(A)

Since the AU used a portion of the withdrawal on a nonallowable expenditure, the county shall calculate a period of ineligibility as follows:

1. \$5,000 balance prior to withdrawal
-3,000 allowable expense for purchase of home
\$2,000 remainder
2. Divide the remainder (\$2,000) by MBSAC + special needs for an AU of three
($\$2,000 \div \$891 = 2.24$ months)
3. Round down the result to the nearest whole number (two months).

4.

The AU is ineligible for two months. The AU shall be discontinued at the end of June. The AU can reapply for aid on September 1.

(MR) (2) Example 2:

Handbook Section 89-130(m)(2)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

An AU of three has the following property:

\$ 100	checking account
+1000	restricted account
<u>+ 800</u>	savings account
\$ 1900	Total

(A)

The AU wants to buy new furniture and withdraws all of their funds from their accounts, including the restricted account, to pay for the purchases in 5/96. The county determines that the AU made a nonqualifying withdrawal.

(B)

Although the AU's total property reserve prior to the nonqualifying withdrawal is under the \$2,000 property limit, the county will calculate a period of ineligibility as follows:

1.	Balance prior to nonqualifying withdrawal in 5/96	\$1000
2.	Divide by MBSAC for 3 (\$715)	
3.	Result	1.3
4.	Round down to nearest whole number for number of months of ineligibility	1

(C)

Since the period of ineligibility is only for one month, aid for 6/96 will be suspended rather than discontinued. As the AU members will retain their recipient status, the higher property limits will continue to apply.

HANDBOOK ENDS HERE

(n) (Continued)

Authority Cited: Sections 10553, 10554, 10604, and 11155.2 (Ch. 270, Stats. 1997), Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11155, 11155.2 (Ch. 270, Stats. 1997), 11265.1, and 11265.2, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(i)(B); and the Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

Amend Section 89-201 to read:

89-201 MINOR PARENT REQUIREMENT (Continued)

89-201

.5 Senior Parent Income (Continued)

.51 Senior Parent/Minor Parent
Eligibility and Grant Amount

When considering income of the senior parent(s), pursuant to Sections 44-133.5, 44-207 and 44-315, and that income does not result in ineligibility of the minor and his/her child(ren), and: (Continued)

.513 Grant Amount

The income of the senior parent(s) shall be considered and the actual grant amount calculated pursuant to Section 44-315.3.

HANDBOOK BEGINS HERE

(a)

Handbook Section 89-201.513(a)(MR) shall become inoperative and Handbook Section 89-201.513(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example:
Eligible Minor
Parent in own AU

The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter's child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt.

The eligibility/grant computation is as follows:

\$1,025	Gross Family Earned Income
- 225	Income Disregard
\$ 800	
- 400	50% Earned Income Disregard
\$ 400	Net Nonexempt Income
\$ 679	MAP for an AU of 3
- 400	Total Net Nonexempt Income
\$ 279	Potential Grant

\$ 548 MAP for an AU of 2

\$ 279 Actual Grant Amount (lesser of
potential grant or AU MAP)

(QR) Example:
Eligible Minor
Parent in own AU

The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter's child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt.

The eligibility/grant computation is as follows:

\$1,025	Reasonably Anticipated Family Earned Income
- 225	Income Disregard
<u>\$ 800</u>	
- 400	50% Earned Income Disregard
<u>\$ 400</u>	Average Net Nonexempt Income

\$ 704	MAP for an AU of Three
- 400	Total Averaged Net Nonexempt Income
<u>\$ 304</u>	Potential Grant

\$ 568 MAP for an AU of Two

\$ 304 Actual Grant Amount (lesser of
potential grant or AU MAP)

(b)

Handbook Section 89-201.513(b)(MR) shall become inoperative and Handbook Section 89-201.513(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example:
Eligible Minor
Parent in AU
of Senior Parent(s)

Minor parent lives with both her parents. The senior parents are in the AU with the minor parent and the minor's child. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.

The eligibility/grant computation is as follows:

\$ 125	Disability-Based Unearned Income
- 225	Income Disregard
- \$ 100	Net Nonexempt Disability-Based Income

\$1,300	Gross Family Earned Income
- 100	Remainder of \$225 Disregard
\$1,200	
- 600	50% Earned Income Disregard
\$ 600	Net Nonexempt Earned Income
+ 0	Other Nonexempt Unearned Income
\$ 600	Total Net Nonexempt Income

\$ 809	MAP for an AU of 4
- 600	Net Nonexempt Income
\$ 209	Grant Amount

(QR) Example:
Eligible Minor
Parent in AU
of Senior Parent(s)

Minor parent lives with both her parents. The senior parents are in the AU with the minor parent and the minor's child. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.

The eligibility/grant computation is as follows:

\$ 125	Reasonably Anticipated Monthly Disability-Based Unearned Income
- 225	Income Disregard
- \$ 100	Net Nonexempt Disability-Based Income

\$1,300	Reasonably Anticipated Monthly Family Earned Income
<u>- 100</u>	Remainder of \$225 Disregard
\$1,200	
<u>- 600</u>	50% Earned Income Disregard
\$ 600	Averaged Net Nonexempt Earned Income
<u>+ 0</u>	Other Nonexempt Unearned Income
\$ 600	Total Net Nonexempt Income
 \$ 839	 MAP for an AU of Four
<u>- 600</u>	Net Nonexempt Income
\$ 239	Grant Amount

HANDBOOK ENDS HERE

.6 (Continued)

Authority Cited: Sections 10553 and 10554; Welfare and Institutions Code.

Reference: Sections 11008.14, 11254 (Ch. 1022, Stats. 2002), 11451.5, and 16506(d),
Welfare and Institutions Code and 42 USCA 608(a)(5).

MID-QUARTER STATUS REPORT
For Cash Aid and Food Stamps

RECIPIENT'S NAME:

CASE NUMBER (IF KNOWN):

Use this form to report mandatory or voluntary changes that have occurred since your last Quarterly Report (QR 7/SAWS QR 7).

If you are reporting income information, please provide proof, such as, pay stubs; copies of checks; letters from agencies, etc.

If you are reporting changes in expenses, please provide proof, such as, receipts; canceled checks, paid invoices; etc.

If you are reporting an address change, please provide proof of expenses such as, a copy of your new rental agreement or lease; rent receipt for your new address; copies of utility deposits; etc.

MANDATORY INFORMATION

If you receive Cash Aid, report the information marked CA. If you receive Food Stamps, report the information marked FS. The change of address and voluntary information sections are for all households/assistance units.

CA ☐ My combined household income is more than the limit for my household size.
In the month of _____, the total combined income for my household is \$ _____.

CA ☐ Someone in my household is a convicted drug felon.
Name of person _____
Date of felony conviction _____

CA ☐ Someone in my household is running from the law to avoid a felony conviction; running from the law, to avoid custody or confinement after a felony conviction; or is in violation of probation or parole.
Name of person _____

CA/FS ☐ I have moved, changed my phone number or have a new mailing address.
New home address _____
New mailing address (if different from your home address) _____
New phone number (_____) _____

☐ I receive free rent at this new address.☐ I receive free utilities at this new address.☐ My rent amount is \$ _____ per month☐ My utilities are \$ _____ per month.**See other side**

MANDATORY INFORMATION - continued

FS ☐ Complete this section to report reduced work or training hours for Able-Bodied Adults without Dependents (ABAWDs):

The number of hours worked or in training dropped below 20 hours a week or 80 hours a month to _____ hours per week or _____ hours per month.

Name of person(s) _____

Relationship to you _____

Explain what happened _____

Date of change _____

VOLUNTARY INFORMATION (All households/Assistance Units)

I would like to report the following information:

CERTIFICATION

I UNDERSTAND THAT: If on purpose I do not report all facts or give wrong facts about my income, property, or family status to get or keep getting aid or benefits, I can be legally prosecuted. And, I may be charged with committing a felony if more than \$400 in cash aid and/or food stamps is wrongly paid out.

I declare under penalty of perjury under the laws of the United States and the State of California that the facts contained in this report are true and correct and complete.

WHO MUST SIGN BELOW:

For Cash Aid: you, your aided spouse and the other parent (of cash aided children) if living in the home.
For Food Stamps: the head of household, household member or the household's authorized representative.

Signature or Mark	Date Signed	Home Phone	Contact Phone
Signature of Spouse or other Parent of Cash Aided Children	Date Signed	Signature of Witness to Mark, interpreter or other person completing form	Date Signed

**QUARTERLY ELIGIBILITY/STATUS REPORT**

FOR CASH AID, FOOD STAMPS, AND STATE CMSP

THIS REPORT IS FOR THE MONTH OF _____

COMPLETE, SIGN AND RETURN THIS FORM BY THE 5TH OF THE MONTH AFTER THE REPORT MONTH

NEED HELP? CALL YOUR WORKER.

Worker Name: _____

Worker Phone: _____

BAR CODE: _____

Request to Stop Benefits (If you fill in this part, sign and date the back of this form. You can reapply at any time.) I ask that my ☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal ☐ State CMSP be stopped on the last day of: _____ MONTH/YEAR								
Part 1: What happened <i>IN</i> the Report Month?								
1. Did anyone get income from a job or training program or any other source? ☐ YES ☐ NO If "YES", list all income below and attach pay stubs or other proof. (See instructions for examples of income.)								
Who got the income?	Source	Gross amount	\$	\$	\$	\$	\$	
		Date received						
		No. of hours worked or in training						
Who got the income?	Source	Gross amount	\$	\$	\$	\$	\$	
		Date received						
		No. of hours worked or in training						
Who got the income?	Source	Gross amount	\$	\$	\$	\$	\$	
		Date received						
		No. of hours worked or in training						
2. Did anyone pay for the care of a child, disabled person or other dependent while working, seeking work, or attending school or training? ☐ YES ☐ NO If "YES", list all costs below and attach proof.								
Name of person who received care		Cost	Name of person who received care		Cost			
		\$			\$			
3. Did anyone, who gets Food Stamps, pay court-ordered child or spousal support? ☐ YES ☐ NO If "YES", list the amount paid and attach proof of payment.								
Name of person who paid support		Cost	Name of person who paid support		Cost			
		\$			\$			
Part 2: What has happened <i>SINCE</i> your last Quarterly Report?								
4. Has anyone moved into or out of your home, or did you move in with someone else? ☐ YES ☐ NO If "YES", complete below.								
Full name of person		Relationship to you		Explain what happened		Date of change		
5. Did anyone buy, get, sell, trade or give away any property? ☐ YES ☐ NO (See Instructions for examples of property)								
Who owns or got rid of the property?		Type of property				Value		
						\$		

6. Has anyone in your home been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s) or has anyone been avoiding or running from the law to avoid any felony prosecution, custody, or confinement after conviction, or is anyone in violation of probation or parole? If convicted of a drug-related felony, give date of conviction. ☐ YES ☐ NO

If Yes, who? _____ Date of conviction _____

7. Have any of the following happened to someone in your household? ☐ YES ☐ NO
If "YES", list below and attach proof.

- Married, divorced or separated?
- Became pregnant, had a baby, aborted or miscarried?
- Became disabled or recovered from a disability or major illness?
- Citizenship or immigration status change, or got a new card, form or letter from INS?
- Started, stopped, or changed health, dental or life insurance benefits, including MEDICARE coverage?
- Student age 16 or older, started or stopped school or college. You may claim costs of tuition, school transportation, etc.
- Started or stopped working, refused a job or training, number of hours worked or in training went up or down, or went out on strike?
- Started or stopped getting In-Home Supportive Services?
- For Cash Aid Only: Child(ren) ages 6-17 stopped or started attending school regularly?

Name of person(s)	Relationship to you	What happened?	Amount	Date of change
			\$	
			\$	

Part 3: What changes do you EXPECT in the next three months?

8. Do you expect any changes in income or expenses (except for housing and utility costs) in the next three months? ☐ YES ☐ NO
If "YES", list below and attach proof. (See instructions for examples of income and expenses).

Name of person	Source of income or type of expense	Why will it change?	What do you expect the total amount to be for each of the next 3 months?		
			Month 1	Month 2	Month 3

ADDRESS CHANGE Fill in this section ONLY if you have moved or have a new mailing address.

NEW Home Address				New Phone	
Number	City	State	Zip Code	()	
NEW Mailing Address (If different from Home Address)				Date Moved	
Number	City	State	Zip Code		
Did your housing or utility costs go up because of this move? Explain:				☐ YES ☐ NO Amount \$	

CERTIFICATION

I UNDERSTAND THAT: If on purpose I do not report all facts or give wrong facts about my income, property, or family status to get or keep getting aid or benefits, I can be legally prosecuted. And I may be charged with committing a felony if more than \$400 in Cash Aid, Food Stamps, and/or State CMSP is wrongly paid out. I have received a copy of the Instructions and Penalties for the Quarterly Eligibility/Status Report for Cash Aid, Food Stamps and State CMSP.

YOU MUST SIGN AND DATE THIS REPORT AFTER THE LAST DAY OF THE REPORT MONTH OR IT WILL BE CONSIDERED INCOMPLETE.

I declare under penalty of perjury under the laws of the United States and the State of California that the facts contained in this report are true and correct and complete for the entire report month.

WHO MUST SIGN BELOW: For Cash Aid: you, your aided spouse and the other parent (of cash aided children) if living in the home.
For Food Stamps: the head of household, a household member or the household's authorized representative.
For CMSP: you, your spouse, or the person acting for the beneficiary.

SIGNATURE OR MARK 	DATE SIGNED	HOME PHONE ()	CONTACT PHONE ()	
SIGNATURE OF SPOUSE OR OTHER PARENT OF CASH AIDED CHILD(REN) 	DATE SIGNED	SIGNATURE OF WITNESS TO MARK, INTERPRETER OR OTHER PERSON COMPLETING FORM 		DATE SIGNED

INSTRUCTIONS AND PENALTIES

QUARTERLY ELIGIBILITY/STATUS REPORT

For Cash Aid, Food Stamps and State-Run County Medical Services Program (CMSP)

Need Help? Call your worker.

- If you do not send in a complete report including, but not limited to, answering all questions on the QR 7/SAWS QR 7 and attaching proof when we ask for it, your benefits may be delayed, changed, or stopped. **Attach a separate sheet of paper if needed.**
- Facts you report may result in your benefits going up, down, or be stopped.
- Send in your completed report by the 5th of the month following the report month.

Examples

Income	• Wages • Vacation pay • Child/spousal support • Insurance or legal settlements • Rental income and rental assistance • Any government benefits • State Disability Indemnity	• Self-Employment • Tips • Interest or dividends • Strike benefits • Tax refunds • Unemployment • Social Security • Supplemental Security Income/State Supplementary Payment (SSI/SSP)	• Salary • Income In-Kind, such as earned housing, free housing/utilities/clothing/food • Gambling/Lottery winnings • Cash, gifts, loans, scholarships • Other private or government disability or retirement • Workers Compensation • Veterans or Railroad retirement
Property	• Motor vehicles • EBT balance • Home	• Checking • Savings Bonds • Land	• Savings • Life insurance policies • Trusts
Housing Costs	• Rent • Utilities	• Mortgage • Homeowners insurance	• Property taxes • Garbage/trash collection fees
Expenses	• Medical expenses • Health insurance premiums • Child/dependent Care	• College tuition & supplies • Mandatory school fees • Child/spousal support	• Transportation • Room & Board • Housing costs

Penalties

PENALTIES FOR CASH AID FRAUD: If on purpose you do not follow Cash Aid rules, your Cash Aid can be lowered for a period of time and you may be fined up to \$10,000 and/or sent to jail or prison for up to 3 years.

Your Cash Aid can be stopped:

- For not reporting all facts or for giving wrong facts: 6 months for the first offense, 12 months for the second offense, or forever for the third.
- For submitting one or more application to get aid in more than one case for the same time period: 2 years for the first conviction, 4 years for the second, and forever for the third.
- For conviction of felony fraud to get aid: 2 years for theft of amounts under \$2,000; 5 years for amounts of \$2,000 through \$4,999.99; and forever for amounts of \$5,000 or more.
- Forever: for giving the county false proof of residency in order to get aid in two or more counties or states at the same time; giving the county wrong facts for an ineligible child or a child that does not exist; getting more than \$10,000 in cash benefits through fraud; getting a third conviction for fraud in a court of law or an administrative hearing.

PENALTIES FOR FOOD STAMP FRAUD: If on purpose you do not follow Food Stamp rules, your Food Stamps can be stopped for 12 months for the first violation, 24 months for the second, and forever for the third. You may be fined up to \$250,000 and/or sent to jail/prison for 20 years.

- If you are found guilty in any court of law or administrative hearing because:
- You traded or sold Food Stamps for firearms, ammunition, or explosives, your Food Stamps can be stopped forever for the first violation.
- You traded or sold Food Stamps for controlled substances, your Food Stamps can be stopped for 24 months for the first violation and forever for the second.
- You traded or sold Food Stamps that were worth \$500 or more, your Food Stamps can be stopped forever.
- You gave the county false identify or residence information, so you can get Food Stamps in more than one case at the same time, your Food Stamps can be stopped for 10 years.

HOW TO FILL OUT YOUR QR 7 QUARTERLY ELIGIBILITY/STATUS REPORT**For Cash Aid, Food Stamps and State-Run County Medical Services Program (CMSP)**

- Save this notice to help you fill out your QR 7 (Quarterly Eligibility/Status Report) if you need help filling out your report, tell your worker.
- If you do not send in a complete report including, but not limited to, answering all questions on the QR 7 and attaching proof when we ask for it, your benefits may be delayed, changed, or stopped. **Attach a separate sheet of paper if needed.**
- Changes that may affect your eligibility for Cash Aid or Food Stamps that you are required to report, must be reported within 10 days.
- Facts you report may result in your benefits going up, down or being stopped.

**INSTRUCTIONS****HOW OFTEN YOU MUST COMPLETE THE QR 7**

For Cash Aid and Food Stamps you must turn in a complete QR 7 once every quarter (every three months). The County will tell you when you are supposed to turn in your completed QR 7.

For State-Run County Medical Services Program (CMSP) you must turn in a complete QR 7 only when the County sends you one.

REPORTING FOR PEOPLE WHO ARE LIVING IN YOUR HOME

If your family gets Cash Aid (no Food Stamps), report facts for:

- All children-natural, adopted and stepchildren.
- All parents-natural, adoptive and stepparent.
- Other aided relatives of the child.
- Yourself and your spouse.
- Anyone who is temporarily absent from the home.

If your family gets Cash Aid and Food Stamps you must also report facts for:

- All related adults.
- Others who buy and prepare food with you.

If your family gets Food Stamps only, you must report facts for:

- All children.
- All related adults.
- Others who buy and prepare food with you.

If you or your family get State-Run CMSP, you must report facts for:

- Your children-natural, adopted and stepchildren.
- All parents of the children-natural, adoptive and stepparents.
- Yourself and your spouse.

REQUEST TO STOP BENEFITS

- If you ask to have your Cash Aid stopped, your Medi-Cal may also be stopped or changed. Your may not be eligible for Medi-Cal or you may have to pay a share of cost of it.
- On the QR 7, complete the request to stop benefits section only if you want to stop any of your benefits. Check the benefits you want stopped and sign and date the QR 7. If you only want to stop some of your benefits and keep others, you must fill out the rest of the QR 7.
- You can also request to stop your benefits by calling your worker.

FACTS YOU MUST REPORT FOR EACH QUESTION

Part 1: Questions 1 through 3 are about what happened in the report month.

Question number:

- ① Any earnings, training allowances or other money anyone got. Such as wages, vacation pay, cash bonuses, child or spousal support; Social Security; Supplemental Security Income/State Supplementary payment (SSI/SSP); Unemployment/Disability Insurance; worker's compensation; any other type of disability or retirement; lottery winnings; insurance or legal settlements; rental income or assistance; free housing/utilities/clothing/food; or anything else. List the name of the person(s) who got the money, where they got the money from, the number of hours worked or in training, the date the person(s) actually got the money and the gross amount they got (this means the amount before any taxes or deductions). Attach proof such as, check stubs, copies of checks or statements from the employer, award letters from the agency you got the money from, etc. If self-employed, and you want to claim actual expenses, list

all business expenses on a separate sheet of paper. Attach proof such as, receipts or paid invoices, etc. If you want to figure your business costs by using the standard 40 percent deduction of your verified income, you do not need to list your business expenses.

- ② If anyone paid for the care of a child, disabled person or other dependent while working, looking for work, or while they were in school or training during the report month, list the name of the child or person who received the care and the amount that was paid. Attach proof of payment.

- ③ If you get Food Stamps and anyone paid court ordered child and/or spousal support, list the name of the person who paid it and the amount they paid. Attach proof of payment.

Part 2: Questions number 4 through 7 are about what has happened since your last quarterly report.

- ④ Anyone who moved into or out of your home or if you moved in with someone else. This includes; newborns; people who are temporarily absent from your home; anyone who died, entered or left a hospital or institution (including a penal institution), etc. List the name of the person who moved in or who you moved in with, their relationship to you, what happened and the date it happened.

- ⑤ Anyone who bought, got, sold, traded or gave away any of the following types of property, motor vehicles; checking or savings accounts; unused EBT cash balances from a previous month; savings bonds; life insurance policies; a home; land; trust, etc. List who owns the property, what kind of property, and how much the property is worth. Attach proof of how much the property is worth (if available).

- ⑥ Anyone in your home who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s) or who is avoiding or running from the law to avoid felony prosecution, custody or confinement after any felony conviction, or is in violation of probation or parole. List the name of the person and if they were convicted of a drug-related felony, list the date they were convicted. If you have previously reported the information to the County on a past CW 7/SAWS 7 or QR 7, you do not need to report the same information each quarter.

- ⑦ Other facts that could change your eligibility or the amount of your benefits, like starting or stopping a job, school or training; changes in the number of hours of you or anyone in your home works or is in school or training or if anyone goes on strike; anyone ages 6 through 17 stops or starts attending school regularly; a change in anyone's immigration or citizenship status; if anyone gets married, becomes divorced or separates; becomes disabled or recovers from a disability/major illness. Also give the facts for anyone who starts, stops or has a change in life, dental or health insurance, including MEDICARE coverage or if anyone starts or stops getting In-Home Supportive Services (IHSS).

Part 3: Question number 8 is about things you expect to happen in the next three months (except for housing or utility costs).

- ⑧ Any income or expenses you expect will change in the next three months. Expenses include: Medical expenses for someone who is age 60 or older; health insurance premiums; child/dependent care; college tuition and supplies; mandatory school supplies; child/spousal support; transportation costs for work, seeking work, school or training; room and board; self-employment expenses; etc. List the name of the person whose income or expenses will change, the source of the income or the expenses that will change, why it will change and the total gross amount of income or the expenses for each of the three months.

SEE OTHER SIDE FOR MORE INFORMATION

ADDRESS CHANGE

Give us the facts about any changes in your address or phone number. If you are getting Food Stamps you may be asked to give proof of new housing costs like rent and utilities. If your housing costs increased because of the move be sure to list the new amounts.

WHO MUST SIGN THE QR 7

- **For Cash Aid:** You and your aided spouse or other parent of the aided child(ren) if they live in your home.
- **For Food Stamps:** The head of household, an adult household member or the household's Authorized Representative.
- **For STATE CMSP:** The applicant, applicant's spouse or the person acting for the beneficiary.
- **And:** Any other person who fills out the report, an interpreter or the witness to your mark.

WHAT WE MEAN WHEN WE SAY

AVOIDING OR RUNNING FROM THE LAW TO AVOID PROSECUTION, CUSTODY OR CONFINEMENT: A person is considered avoiding or running from the law if an arrest warrant has been issued and the person knew or should have known from the facts that the law was looking for them.

CASH AID: CalWORKs (California Work Opportunity and Responsibility to Kids) and Refugee Cash Assistance.

CONTROLLED SUBSTANCE: Any drug whose availability is restricted by federal or state law, including but not limited to, narcotics, stimulants, depressants, hallucinogens and marijuana.

COMPLETE QR 7: A QR 7 is "complete" only when:

- All of the YES/NO questions are answered, and
- all of the information is filled in, and
- all of the proof is attached when the form asks for it, and
- all of the required signatures are on the form, and
- the form is signed and dated after the last day of the report month.

COURT ORDERED CHILD SUPPORT: The payment a legal document or court of law says you must make to a person for a child who is not in your home. Include payments made by a stepparent.

GROSS AMOUNT: The amount of your paycheck before deductions are taken out for taxes, social security, etc.

IN VIOLATION OF PROBATION OR PAROLE: Probation or parole was revoked or an arrest warrant was issued. The original crime for which probation or parole was ordered could be for a felony or misdemeanor.

REPORT MONTH: The month shown at the top right corner of the QR 7.

STATE CSMP: Medically necessary benefits for eligible adults who are not eligible for Medi-Cal and who live in some rural counties.

CERTIFICATION SECTION

- You must sign the QR 7 "under penalty of perjury." This means that you swear under oath that the facts you give us are true, correct and complete.
- Perjury and fraud are crimes punishable by law.

PENALTIES FOR CASH AID WELFARE FRAUD: If on purpose you do not follow Cash Aid rules, your Cash Aid can be lowered for a period of time and you may be fined up to \$10,000 and/or sent to jail or prison for up to 3 years. Your Cash Aid can be stopped:

- For not reporting all facts or for giving wrong facts: 6 months for the first offense, 12 months for the second offense, or forever for the third.
- For submitting one or more application to get aid in more than one case for the same time period: 2 years for the first conviction, 4 years for the second, and forever for the third.
- For conviction of felony fraud to get aid: 2 years for theft of amounts under \$2,000; 5 years for amounts of \$2,000 through \$4,999.00; and forever for amounts of \$5,000 or more.

Forever: for giving the county false proof of residency in order to get aid in two or more counties or states at the same time; giving the county wrong facts for an ineligible child or a child that does not exist; getting more than \$10,000 in cash benefits through fraud; getting a third conviction for fraud in a court of law or an administrative hearing.

PENALTIES FOR FOOD STAMP FRAUD: If on purpose you do not follow Food Stamp rules, your Food Stamps can be stopped for 12 months for the first violation, 24 months for the second, and forever for the third. You may be fined up to \$250,000 and/or sent to jail/prison for 20 years.

- If you are found guilty in any court of law or administrative hearing because:
- you traded or sold Food Stamps for firearms, ammunition, or explosives, your Food Stamps can be stopped forever for the first violation.
- You traded or sold Food Stamps for controlled substances, your Food Stamps can be stopped for 24 months for the first violation and forever for the second.
- You traded or sold Food Stamps that were worth \$500 or more, your Food Stamps can be stopped forever.
- You gave the county false identify or residence information, so you can get Food Stamps in more than one case at the same time, your Food Stamps can be stopped for 10 years.

DO NOT FORGET:

- If your report is late, not complete or not turned in, your benefits may be late, changed or stopped.
- If your report is not complete when you turn it in, you will be asked to complete it again.
- If you sign and date your report before the last day of the report month, you will be asked to sign and date it again.
- If you are not sure how to report, what to report or what proof you need to send in, ask your worker.
- If your Cash Aid stops, you may still be eligible for Food Stamp benefits even if you are now employed.
- If your Cash Aid stops, you may still be eligible for no-cost or low-cost health coverage under Medi-Cal.

SPONSORED NONCITIZENS APPLYING FOR OR RECEIVING CASH AID AND/OR FOOD STAMPS

Important Information For Noncitizens Sponsored By Individuals

As a noncitizen who is sponsored by an individual(s), you must meet special conditions to receive Cash Aid and/or Food Stamps.

The Special Conditions Are:

- Your sponsor's income and resources will have to be reviewed for you to receive benefits. Your sponsor must provide information on the attached form. Both you and your sponsor must sign this form.
- If your application is approved, you and your sponsor will have to complete quarterly income and resource reports for Cash Aid and Food Stamp benefits. If your sponsor does not provide this information, your benefits may be changed or stopped. Family members who are not sponsored and are otherwise eligible can get and continue to get their benefits.
- **You are the person responsible for getting all the information requested to the county welfare department for both you and your sponsor.**

Important Information For Sponsors

The noncitizen you sponsor has applied for Cash Aid and/or Food Stamps. If you completed an affidavit of support, State regulations require the county welfare department to evaluate your income, resources, and property in deciding whether or not the noncitizen applicant can get benefits. Sponsorship is normally for an indefinite period of time. This form must be completed and signed by you under penalty of perjury. If you are living with your spouse or your spouse has signed an affidavit of support, your spouse's income, resources, and property are also counted.

If the noncitizen's application for Cash Aid is approved, **each quarter** you will have to report your income, resources, and property on the Sponsor's Quarterly Income and Resources Report (QR 72). The noncitizen will provide you with the report form. Your report must be completed and returned to the noncitizen immediately to ensure the noncitizen's continued eligibility. Each quarter, resources and a portion of your income will be used to determine the noncitizen's continued eligibility and benefits.

If the noncitizen receives benefits to which he or she is not entitled because you failed to accurately report information, you and/or the noncitizen may have to repay these benefits.

SPONSOR'S STATEMENT OF FACTS INCOME AND RESOURCES

(Supplemental Application For Food Stamps And Cash Aid)

INSTRUCTIONS: PLEASE ANSWER THE FOLLOWING QUESTIONS FOR YOURSELF AND YOUR SPOUSE (IF LIVING TOGETHER OR IF SPOUSE HAS SIGNED AN AFFIDAVIT OF SUPPORT) AND RETURN IT TO THE NONCITIZEN IMMEDIATELY.

Noncitizen Name and Address

COUNTY USE ONLY

CASE NAME: _____

CASE NO: _____

WORKER NO: _____

Proof may be needed to verify answers to the following questions. Attach proof when the form asks for it.

1 YOUR NAME (FIRST, MIDDLE, LAST) TELEPHONE NUMBER
()

HOME ADDRESS (NUMBER, STREET, CITY, STATE, ZIP CODE)

MAILING ADDRESS (IF DIFFERENT THAN HOME ADDRESS)

2 YOUR SPOUSE'S NAME (IF LIVING TOGETHER OR SIGNED AN AFFIDAVIT OF SUPPORT) (FIRST, MIDDLE, LAST) HAS SPOUSE'S SPOUSE SIGNED AN AFFIDAVIT OF SUPPORT? ☐ Yes ☐ No

3 Do you or your spouse get assistance such as: California Work Opportunity and Responsibility to Kids (CalWORKs), Food Stamps, or Supplemental Security Income (SSI)? If Yes, complete below: ☐ Yes ☐ No

Case Name	Date of Birth	Type of Assistance	County	State

If **both** you and your spouse get Assistance and the noncitizen is **not** applying for Food Stamps, complete only the Certification section on Page 3 and return the form. For all others, go to Question 4.

4 A. Have you or your spouse sponsored any other noncitizen's entry into the United States? ☐ Yes ☐ No
If Yes, complete below using the I-864, I-864A or the I-134:

Noncitizen Name	Noncitizen Address	Date of Admission to U.S.

B. Are any of the noncitizens listed in 4A receiving any type of assistance such as: CalWORKs, Food Stamps or SSI? ☐ Yes ☐ No
If Yes, complete below:

Type of Assistance	Date First Applied	County	State

5 Do you or your spouse have other persons who are claimed or could be claimed as dependents for federal income tax purposes? ☐ Yes ☐ No
If Yes, complete below:

Name of Person(s)	Does Person Live With Sponsor
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No

VERIFIED:

☐ Letter on File
☐ Verbal Communication
☐ Other: _____

VERIFIED:

☐ Affidavit of Support on File
☐ I-864
☐ I-864A
☐ I-134
☐ Other: _____

☐ Verified
☐ Verified

☐ IRS Form 1040 Reviewed
☐ Other: _____

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

Claimed ☐ Yes ☐ No

6 Are you or your spouse currently employed? ☐ Yes ☐ No If Yes, complete section below. Attach paystubs or other proof of earnings. If you or your spouse are self-employed, list business expenses on a separate sheet of paper and attach proof of income and expenses.						COUNTY USE ONLY		
Name	Name of Employer	Gross Pay (Before Deductions)	How Often Paid (Weekly, Monthly, etc.)	Commissions or tips	Number of Tax Dependents Claimed	Check if Exempt	Enter Date Viewed Pay Stubs Other	
		\$		\$		☐ Yes ☐ No		
		\$		\$		☐ Yes ☐ No		

7 Do you or your spouse receive or expect to receive any other income such as: Social Security, Unemployment/Disability Insurance, Child/Spousal Support, Veterans Benefits, etc? ☐ Yes ☐ No If Yes, complete section below and attach proof of the income.					
Name	Type of Income	Amount	How Often Received	Check if Exempt	Specify Verification and Date Reviewed:
		\$		☐ Yes ☐ No	
		\$		☐ Yes ☐ No	
		\$		☐ Yes ☐ No	

8 Do you or your spouse have any of the following resources? Check each item. If Yes, explain below.					
Resource	Sponsor	Spouse	Resource	Sponsor	Spouse
Checks or Money (At Home or Elsewhere)	☐ Yes ☐ No	☐ Yes ☐ No	Trust Funds	☐ Yes ☐ No	☐ Yes ☐ No
Checking, Savings, Credit Union Account	☐ Yes ☐ No	☐ Yes ☐ No	Stocks, Bonds, Certificates	☐ Yes ☐ No	☐ Yes ☐ No
Notes, Mortgages, Trust Deeds, Sales Contracts	☐ Yes ☐ No	☐ Yes ☐ No	Other (Specify below)	☐ Yes ☐ No	☐ Yes ☐ No

Type of Resource	Owner	Current Value	Location (Home, Bank, Address, etc.)	Account Number	Check if Exempt
		\$			☐ Yes ☐ No
		\$			☐ Yes ☐ No
		\$			☐ Yes ☐ No

9 Do you or your spouse own (or are you buying) any real property, such as: a house, land, building, etc. If Yes, complete section below: ☐ Yes ☐ No							
Name	Type of Property	Address/Location	How Used? (Home, Rent, etc.)	Balance Owed	Value	Name of Mortgage Co.	Check if Exempt
				\$	\$		☐ Yes ☐ No
				\$	\$		☐ Yes ☐ No

10 Do you or your spouse own or use or are you buying any motor vehicles, such as: a car, truck, boat, trailer, van, camper, motorcycle, etc. If Yes, complete section below: ☐ Yes ☐ No					
Name	Year, Make, Model	License Number and State of Registration	Amount of current License Fee	Balance Owed	Check if Exempt
					☐ Yes ☐ No
					☐ Yes ☐ No

11 Do you or your spouse who receive income pay any court ordered support? ☐ Yes ☐ No If Yes, enter the monthly amount \$ _____ Who pays? _____		☐ Verified
12 Do you or your spouse make support payments to other persons not living in your home? ☐ Yes ☐ No If Yes, complete section below:		
Who Pays	To Whom Paid (Name)	Amount Paid
		\$
		\$
		\$
		\$

13 Do you or your spouse own or use personal property or resources such as: Jewelry, equipment, instruments, livestock, etc.? Do not list clothing, wedding rings, rugs, furniture, appliances, other household furnishings. If Yes, complete section below: ☐ Yes ☐ No						
Name	Name of Item	Date of Purchase	Purchase Price	Gift	Amount Owed	Net Market Value
			\$	☐ Yes ☐ No		1. _____
			\$	☐ Yes ☐ No		2. _____
			\$	☐ Yes ☐ No		3. _____
			\$	☐ Yes ☐ No		4. _____

CERTIFICATION

- I understand that if on purpose I don't give the right facts or all the facts for the CalWORKs, Food Stamp or cash-based Medi-Cal Programs, I can be punished and I can be legally accused of the crime of fraud. If I am found guilty of committing fraud, I can be fined up to \$10,000 for CalWORKs and \$250,000 for Food Stamps. And, I can go to jail/prison for up to 5 years for CalWORKs and 20 years for Food Stamps. In the CalWORKs and Food Stamp Programs, my benefits can be stopped for 6 months, 12 months, 2 years, 4 years, 5 years, 10 years or forever.
- I understand that the information provided on this form may be verified by local, state and federal agencies.
- I understand that the noncitizen's case, including my statement, may be selected for an additional review to ensure that the noncitizen's eligibility was determined correctly.
- I understand that I may be required to repay any benefits which are overpaid because of incorrectly or incompletely reported information.

- If the noncitizen is applying for Cash Aid, both you and your spouse must sign the form. If the noncitizen is applying for Food Stamps only, either you or your spouse must sign the form.

SPONSOR'S CERTIFICATION:

- I understand that the term for Sponsorship is normally an indefinite period of time.
- I declare under penalty of perjury under the laws of the United States of America and the State of California that the above information contained on this statement of facts is true, correct, and complete.

SPONSOR'S SIGNATURE OR MARK	DATE
SPONSOR'S SPOUSE'S SIGNATURE OR MARK (IF LIVING WITH SPOUSE OR HAS SIGNED AN AFFIDAVIT OF SUPPORT)	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

- If the noncitizen is applying for Cash Aid, the noncitizen must sign this form. If the noncitizen is applying for Food Stamps only, the form must be signed by the noncitizen, the head of household, a household member, or an authorized representative.

NONCITIZEN'S CERTIFICATION:

- I have reviewed this signed and completed form from my sponsor(s). I declare under penalty of perjury under the laws of the United States of America and the State of California that it is true, correct, and complete to the best of my knowledge.

NONCITIZEN'S OR DECLARANT'S SIGNATURE OR MARK	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

COUNTY USE ONLY

Evaluation of Sponsor/Sponsor's Spouse Real/Personal Property Resources	CalWORKs Sponsor/Sponsor's Spouse Income Computation	Food Stamp Sponsor/Sponsor's Spouse Computation
A. ITEMS \$ \$ \$ \$	A. Earned Income \$ B. Unearned Income + C. Subtotal = D. Total number of sponsored noncitizens applying for/receiving CalWORKs E. Divide C by D + F. Subtotal = G. Number of sponsored noncitizens in this AU H. Multiply E by F x I. Total =	A. Earned Income \$ B. Less 20% - C. Unearned Income + D. Gross Income Deduction for Sponsor's household size - E. Subtotal + F. Total number of sponsored noncitizens replace applying for/receiving Food Stamps G. Divide E by F + H. Total = Amount in H to be deemed income for each sponsored noncitizen.
B. Total CW FS \$		
C. Less: Food Stamp Deduction (\$1500) X		
D. Equals Subtotal =		
E. Total number of sponsored noncitizens applying for/receiving CW/FS		
F. Divide D by E +		
G. Total		
Amount in G to be included in each noncitizen's property limits.	Amount in I to be deemed income for entire AU.	

WORKER SIGNATURE	WORKER SUPERVISOR	DATE
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PAYEE AGREEMENT FOR MINOR PARENT

COUNTY USE ONLY
CASE NAME:
CASE NUMBER:
WORKER NAME:

If you do not return this form by _____
you will not get cash aid.

SECTION A: PREGNANT OR PARENTING MINOR AGREEMENT

I understand that any cash aid I am eligible to get for myself or dependent child(ren) will be paid to my parent, legal guardian, or other adult relative, with whom I live. I give permission to give this agreement to the person named below.

NAME OF PROPOSED PAYEE		RELATIONSHIP
NAME OF MINOR	SIGNATURE OF MINOR	DATE

SECTION B: PAYEE RESPONSIBILITIES

The above-named minor has applied for California Work Opportunity and Responsibility to Kids (CalWORKs) for him/herself and/or his/her dependent child(ren). The minor has named you to serve as payee and receive cash aid payments. Payee responsibilities are listed below:

- I understand the payments I get for the person(s) in this case are to be used for their support. If I willfully and knowingly receive or use any part of the payment for any reason other than to support them, state law says I may be prosecuted for committing a misdemeanor.
- I understand that I am responsible to make sure the minor is given all information sent to me by the county for the minor such as quarterly report forms, notices of action and informing notices. It is the minor's responsibility to complete any necessary forms by the due date.
- I understand that if the minor moves out of my home, I should notify the county within 5 days and any payments received after the minor moves out should be returned to the county.
- I understand that if I do not agree to become the payee it does not affect the eligibility of the minor and/or his/her dependent child(ren).

SECTION C: PAYEE CERTIFICATION

Please check (✓) one of the boxes below:

- ☐ I understand the above facts and agree to act as the payee for the minor listed above.
☐ I refuse to act as the payee for the minor listed above.

PROPOSED PAYEE	PHONE NUMBER	DATE
----------------	--------------	------

APPLICANT TEST

CASE NAME	CASE NUMBER	CW NAME	DATE
-----------	-------------	---------	------

- Determine whose needs to consider in the MBSAC size and select the corresponding MBSAC amount.
- Use a best estimate of countable income from AU members (including penalized AU members), certain non-AU members and sanctioned/excluded members.
- Deduct \$90 from the gross earned income of each family member whose earnings are used on the QR 29.
- Compare the family's total countable income to the MBSAC plus special needs to determine financial eligibility.

MONTH AND YEAR _____

1. NUMBER OF FAMILY MEMBERS WHOSE NEEDS ARE CONSIDERED IN MBSAC	
2. CORRESPONDING MBSAC FOR FAMILY SIZE IN #1 ABOVE	\$
3. RECURRING SPECIAL NEEDS	+
4. TOTAL GROSS INCOME LIMIT	=
5. GROSS EARNINGS COMPUTATION	
a. Gross Earnings (Person 1)	\$
b. Disregard	- 90
c. SUBTOTAL	=
d. Gross Earnings (Person 2)	\$
e. Disregard	- 90
f. SUBTOTAL	=
g. Gross Earnings (Person 3)	\$
h. Disregard	- 90
i. SUBTOTAL	=
j. TOTAL (Line 5c, 5f and 5i)	\$
6. SOCIAL SECURITY BENEFITS	+
7. V.A. BENEFITS	+
8. UIB	+
9. CHILD/SPOUSAL SUPPORT RECEIVED (Less CSSD)	+
10. UA CONTRIBUTION (From CW 71)	+
11. UNEARNED IN-KIND (Total received)	+
12. ALL DISABILITY INCOME	+
13. OTHER (Specify)	+
14. TOTAL COUNTABLE INCOME (Line 5j through Line 13)	=
15. Is total countable income (Line 14) less than the total gross income limit (Line 4)?	
☐ YES; eligible, complete QR 30.	
☐ NO; ineligible.	

SELF-EMPLOYMENT INCOME CALCULATION

EARNINGS FROM SELF-EMPLOYMENT	PERSON 1 Line 5a	PERSON 2 Line 5d
Gross earnings from self employment	\$	\$
Expenses ☐ Actual ☐ 40%	-	-
Net self-employment income (Include in line 5 for appropriate person)	\$	\$

CalWORKs BUDGET WORKSHEET

Use the worksheet on the back of the QR 30 to calculate average income for the quarter.

CASE NAME: _____		CASE NUMBER: _____		SECTION B: GRANT COMPUTATION																																																					
DATA MONTH: _____		PAYMENT QUARTER: _____		18. Maximum Aid Payment for _____ Family Member (A & C).		\$																																																			
☐ STANDARD MAP		☐ EXEMPT MAP		a. Net nonexempt income (enter amount from line 11 or 15).		-																																																			
WORKER NAME: _____				b. Special needs other than HA, (A, C, D)		+																																																			
WORKER #: _____				c. Potential Grant		\$																																																			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th rowspan="2" style="width:25%;">NAME</th> <th colspan="5" style="text-align: center;">Check (✓) One</th> </tr> <tr> <th style="width:10%;">(A) AU (non MFG and non-penalized)</th> <th style="width:10%;">(B) Penalized AU</th> <th style="width:10%;">(C) non-AU (if income counted for intel, non citizen)</th> <th style="width:10%;">(D) MFG</th> <th style="width:10%;">(E) SANCTIONED</th> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>				NAME	Check (✓) One					(A) AU (non MFG and non-penalized)	(B) Penalized AU	(C) non-AU (if income counted for intel, non citizen)	(D) MFG	(E) SANCTIONED																			19. Maximum Aid Payment for _____ persons. (A)		\$																						
					NAME	Check (✓) One																																																			
				(A) AU (non MFG and non-penalized)		(B) Penalized AU	(C) non-AU (if income counted for intel, non citizen)	(D) MFG	(E) SANCTIONED																																																
a. Special Need other than HA (A & D).		+																																																							
b. Subtotal		\$																																																							
c. Aid Payment (lesser of 18c or 19b).		\$																																																							
SELF-EMPLOYMENT INCOME CALCULATION				20. Proration figure																																																					
				Date: _____		X																																																			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:30%;">EARNINGS FROM SELF-EMPLOYMENT</th> <th style="width:35%;">PERSON 1</th> <th style="width:35%;">PERSON 2</th> </tr> <tr> <td>Gross earnings from self employment</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Expenses ☐ Actual ☐ 40%</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Net self-employment income (Include in Section a, line 4)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> </table>				EARNINGS FROM SELF-EMPLOYMENT	PERSON 1	PERSON 2	Gross earnings from self employment	\$	\$	Expenses ☐ Actual ☐ 40%	-	-	Net self-employment income (Include in Section a, line 4)	\$	\$	21. Prorated Aid Payment		\$																																							
				EARNINGS FROM SELF-EMPLOYMENT	PERSON 1	PERSON 2																																																			
				Gross earnings from self employment	\$	\$																																																			
				Expenses ☐ Actual ☐ 40%	-	-																																																			
Net self-employment income (Include in Section a, line 4)	\$	\$																																																							
SECTION A: RECIPIENT FINANCIAL ELIGIBILITY AND NET NON-EXEMPT INCOME COMPUTATION				22. Other adjustments imposed upon the AU:																																																					
				a. Child Support non-co-op (25% of Aid Payment)		-																																																			
				b. Overpayment adjustment		-																																																			
				c. Cal-Learn penalties		-																																																			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">1. Total disability-based unearned income of A, B, C, D, E.</td> <td style="text-align: right;">\$</td> </tr> <tr> <td colspan="2">2. Minus \$225 disability-based income disregard.</td> <td style="text-align: right;">-225</td> </tr> <tr> <td colspan="2">3. Subtotal nonexempt disability-based income. (If positive amount, enter amount on line 9. If negative amount, enter amount on line 5).</td> <td style="text-align: center;">=</td> </tr> <tr> <td colspan="2">4. Gross earned income of A, B, C, D, E.</td> <td style="text-align: right;">\$</td> </tr> <tr> <td colspan="2">5. Remainder of \$225 income disregard, if any. (Enter negative amount from line 3).</td> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="2">6. Subtotal earned income (line 4 minus line 5).</td> <td style="text-align: center;">=</td> </tr> <tr> <td colspan="2">7. 50% earned income disregard. (Total on line 6 divided by 2).</td> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="2">8. Subtotal net nonexempt earned income. (Line 6 minus line 7).</td> <td style="text-align: center;">=</td> </tr> <tr> <td colspan="2">9. Nonexempt disability-based unearned income. (Enter positive amount from line 3).</td> <td style="text-align: center;">+</td> </tr> <tr> <td colspan="2">10. Other nonexempt income of A, B, C, D, E including child/spousal support for C, E (but not A, B, D).</td> <td style="text-align: center;">+</td> </tr> <tr> <td colspan="2">11. Total net nonexempt income for grant computation (line 8 + 9 + 10)</td> <td style="text-align: center;">=</td> </tr> <tr> <td colspan="2">12. Child/Spousal support for A, B, (not C, D, E).</td> <td style="text-align: right;">\$</td> </tr> <tr> <td colspan="2">13. Minus child/spousal support disregard (up to \$50 per AU).</td> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="2">14. Total countable child/spousal support</td> <td style="text-align: center;">=</td> </tr> <tr> <td colspan="2">15. Total net nonexempt income for recipient test (line 11 + 14).</td> <td style="text-align: center;">=</td> </tr> <tr> <td colspan="2">16. MAP for A & C + special needs for A, C, D.</td> <td style="text-align: right;">\$</td> </tr> <tr> <td colspan="2">17. Family meets recipient test (if line 15 is less than line 16). If Yes, continue with grant computation.</td> <td style="text-align: center;">☐ Yes ☐ No</td> </tr> </table>				1. Total disability-based unearned income of A, B, C, D, E.		\$	2. Minus \$225 disability-based income disregard.		-225	3. Subtotal nonexempt disability-based income. (If positive amount, enter amount on line 9. If negative amount, enter amount on line 5).		=	4. Gross earned income of A, B, C, D, E.		\$	5. Remainder of \$225 income disregard, if any. (Enter negative amount from line 3).		-	6. Subtotal earned income (line 4 minus line 5).		=	7. 50% earned income disregard. (Total on line 6 divided by 2).		-	8. Subtotal net nonexempt earned income. (Line 6 minus line 7).		=	9. Nonexempt disability-based unearned income. (Enter positive amount from line 3).		+	10. Other nonexempt income of A, B, C, D, E including child/spousal support for C, E (but not A, B, D).		+	11. Total net nonexempt income for grant computation (line 8 + 9 + 10)		=	12. Child/Spousal support for A, B, (not C, D, E).		\$	13. Minus child/spousal support disregard (up to \$50 per AU).		-	14. Total countable child/spousal support		=	15. Total net nonexempt income for recipient test (line 11 + 14).		=	16. MAP for A & C + special needs for A, C, D.		\$	17. Family meets recipient test (if line 15 is less than line 16). If Yes, continue with grant computation.		☐ Yes ☐ No	d. Cal-Learn bonus		+
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SECTION C: BUDGET RECOMPUTATION				23. Adjusted Aid Payment		\$																																																			
				24. Actual Cash Aid Paid		\$																																																			
a. Adjusted Aid Payment (amount from line 23).		-																																																							
b. Subtotal		=																																																							
25. Overpayment Amount (line 24b)		-																																																							
26. Underpayment if line 23 is greater than line 24.		\$																																																							

MONTH 1: _____

QR INCOME WORKSHEET

CASE NAME: _____

CASE NUMBER: _____

PERSON #	DBI, U or E	PAY 1	PAY 2	PAY 3	PAY 4	PAY 5	TOTAL	DIVIDE BY	AVERAGE	CONVERSION FACTOR *	TOTALS

MONTH 2: _____

PERSON #	DBI, U or E	PAY 1	PAY 2	PAY 3	PAY 4	PAY 5	TOTAL	DIVIDE BY	AVERAGE	CONVERSION FACTOR *	TOTALS

MONTH 3: _____

PERSON #	DBI, U or E	PAY 1	PAY 2	PAY 3	PAY 4	PAY 5	TOTAL	DIVIDE BY	AVERAGE	CONVERSION FACTOR *	TOTALS

QUARTER INCOME TOTALS

	MONTH 1	MONTH 2	MONTH 3	Quarter TOTAL (3 Months)	DIVIDE BY	CONVERSION FACTOR *	
DBI							DBI
U							U
E							E

*Monthly = x 1, Bi-Weekly = x 2.167, Weekly = 4.33

SPONSOR'S QUARTERLY INCOME AND RESOURCES REPORT

GIVE THIS TO YOUR SPONSOR

COMPLETE, SIGN, DATE AND RETURN THIS FORM AFTER:

THIS REPORT IS FOR THE MONTH OF _____

CASE NAME _____

CASE NUMBER _____

SPONSOR'S INSTRUCTIONS

- You and your spouse (if living together or if spouse has signed an affidavit of support) must complete and sign this report and return it immediately to the noncitizen you sponsor.
 - The noncitizen must complete, sign and date the form and, give it to sponsor by the 5th of the month. If a complete report, including verification, is not received by the 11th of the month, the noncitizen's Cash Aid may be delayed, lowered, or stopped.
 - Call the county if you need help completing this form.
- Noncitizen's Name and Address _____

WORKER: _____

PHONE: _____

1 Sponsor's Name (First, Middle, Last) _____**Answer the following questions for your spouse if she/he is living with you OR has signed an affidavit of support.****2** Sponsor's Spouse's Name (If Living Together) (First, Middle, Last) _____ Has sponsor's spouse signed an affidavit of support? ☐ YES ☐ NO**3** During the report month did you and/or your spouse receive income, money or benefits, such as: earnings, training payments, earned income tax credit, strike benefits, social security, railroad retirement, unemployment or disability insurance, interest, worker's compensation, SSI/SSP, child/spousal support, loans, grants, tax refund, cash gifts, free housing/utilities, etc.? ☐ YES ☐ NO

If YES, list who received income, employer's name or other source of income, gross amount before deductions, and actual date received. Attach paystubs or other proof of earnings for the report month. Attach proof of any other income only when it starts and when it changes.

If self-employed, list business expenses on a separate sheet of paper and attach proof of income and expenses.

NAME	SOURCE	AMOUNT \$	AMOUNT \$	AMOUNT \$	AMOUNT \$	AMOUNT \$
		DATE RECEIVED	DATE RECEIVED	DATE RECEIVED	DATE RECEIVED	DATE RECEIVED
NAME	SOURCE	AMOUNT \$	AMOUNT \$	AMOUNT \$	AMOUNT \$	AMOUNT \$
		DATE RECEIVED	DATE RECEIVED	DATE RECEIVED	DATE RECEIVED	DATE RECEIVED

4 Do you and/or your spouse receive Cash Aid, such as California Work Opportunity and Responsibility to Kids (CaWORKs) or Supplemental Security Income (SSI)? ☐ YES ☐ NO
If YES, complete below.

CASE NAME	DATE OF BIRTH	TYPE OF CASH AID	COUNTY	STATE

If both you and your spouse (who is living with you) receive Cash Aid, skip to Question 10 and complete the Certification Section.

5 Since your last quarterly report or application, did you or your spouse have any changes in personal and/or real property, such as: Receive, buy, sell or give away a motor vehicle, camper, boat, land or house, etc.? ☐ YES ☐ NO
If YES, explain the type of change, date of change and the amount, if applicable.**6** Did you or your spouse have a checking, savings or credit union account at the end of the report month? ☐ YES ☐ NO
If YES, complete below.

☐ Credit Union	Balance On Last Day of Report Month	Whose Account?	☐ Credit Union	Balance On Last Day of Report Month	Whose Account?
☐ Checking			☐ Checking		
☐ Savings	\$		☐ Savings	\$	

COUNTY USE ONLY

WORKER INITIALS

DATE

7 Since your last quarterly report, was there a change in the number of persons who are claimed as dependents for federal income tax purposes by you or your spouse? If YES, complete below. ☐ YES ☐ NO

NAME OF PERSON(S)	DOES PERSON LIVE WITH SPONSOR?	DATE OF CHANGE	EXPLAIN WHAT CHANGED
	☐ YES ☐ NO		
	☐ YES ☐ NO		

8 Since your last quarterly report, was there any change in payments made to persons who are claimed as federal tax dependents who are not living with you or your spouse? If YES, explain what changed, list the name of the person(s), amount paid and who paid: ☐ YES ☐ NO

9 During the report month or application, did you or your spouse pay any court-ordered support? If YES, enter the amount paid and attach receipts: \$ ☐ YES ☐ NO

10 Do you or your spouse have any other information to report such as: a new address, a change in the number of noncitizens that you sponsor and who will receive Cash Aid, recent or expected changes in income, etc.? If YES, explain the change and if it is expected to be temporary or permanent, and give the date of change. ☐ YES ☐ NO

CERTIFICATION SECTION

- I understand that the term for Sponsorship is normally an indefinite period of time.
- I understand that failure to report information or misrepresentation of facts for Cash Aid can result in legal prosecution with penalties of a fine, imprisonment or both.
- I understand that I may be required to repay any benefits which are overpaid because of incorrectly or incompletely reported information.

SPONSOR'S CERTIFICATION

- I declare under penalty of perjury under the laws of the State of California that the information contained in this report is true and correct and is complete.

SIGNATURE OF SPONSOR	DATE
SIGNATURE OF SPONSOR'S SPOUSE (IF LIVING TOGETHER OR SIGNED AN AFFIDAVIT OF SUPPORT)	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

NONCITIZEN'S CERTIFICATION

- I have reviewed this signed and completed report from my sponsor(s). I declare under penalty of perjury under the laws of the State of California that, to the best of my knowledge, the information contained in this report is true and correct and is complete.

NONCITIZEN'S OR DECLARANT'S SIGNATURE OR MARK	DATE
SIGNATURE OF WITNESS TO MARK, INTERPRETER, OR OTHER PERSON COMPLETING FORM	DATE

COUNTY USE ONLY

Evaluation of Sponsor/Sponsor's Spouse Real/Personal Property Resources	CalWORKs Sponsor/Sponsor's Spouse Income Computation	Food Stamps Sponsor/Sponsor's Spouse Income Computation																																																										
<table><tr><td>A. ITEMS</td><td>VALUE</td></tr><tr><td>_____</td><td>\$ _____</td></tr><tr><td>_____</td><td>\$ _____</td></tr><tr><td>_____</td><td>\$ _____</td></tr><tr><td>_____</td><td>\$ _____</td></tr><tr><td>_____</td><td>\$ _____</td></tr><tr><td>B. Total</td><td>\$ _____</td></tr><tr><td>C. Less: Food Stamp Deduction (\$1500)</td><td>- CW X FS \$1500</td></tr><tr><td>D. Subtotal</td><td>= _____</td></tr><tr><td>E. Total number of sponsored noncitizens apply for/receiving CW/FS</td><td>_____</td></tr><tr><td>F. Divide D by E</td><td>= _____</td></tr><tr><td>G. Total</td><td>_____</td></tr></table> Amount in G to be included in each noncitizen's property limits.	A. ITEMS	VALUE	_____	\$ _____	_____	\$ _____	_____	\$ _____	_____	\$ _____	_____	\$ _____	B. Total	\$ _____	C. Less: Food Stamp Deduction (\$1500)	- CW X FS \$1500	D. Subtotal	= _____	E. Total number of sponsored noncitizens apply for/receiving CW/FS	_____	F. Divide D by E	= _____	G. Total	_____	<table><tr><td>A. Earned Income</td><td>\$ _____</td></tr><tr><td>B. Unearned Income</td><td>+ _____</td></tr><tr><td>C. Subtotal</td><td>= _____</td></tr><tr><td>D. Total number of sponsored noncitizens applying for/receiving CalWORKs</td><td>÷ _____</td></tr><tr><td>E. Divide C by D</td><td>_____</td></tr><tr><td>F. Subtotal</td><td>= _____</td></tr><tr><td>G. Number of sponsored noncitizens in this AU</td><td>_____</td></tr><tr><td>H. Multiply E by F</td><td>x _____</td></tr><tr><td>I. Total</td><td>= _____</td></tr></table> Amount in I to be deemed income for entire AU.	A. Earned Income	\$ _____	B. Unearned Income	+ _____	C. Subtotal	= _____	D. Total number of sponsored noncitizens applying for/receiving CalWORKs	÷ _____	E. Divide C by D	_____	F. Subtotal	= _____	G. Number of sponsored noncitizens in this AU	_____	H. Multiply E by F	x _____	I. Total	= _____	<table><tr><td>A. Earned Income</td><td>\$ _____</td></tr><tr><td>B. Less 20%</td><td>- _____</td></tr><tr><td>C. Unearned Income</td><td>+ _____</td></tr><tr><td>D. Gross Income Deduction for sponsor's household size</td><td>- _____</td></tr><tr><td>E. Subtotal</td><td>= _____</td></tr><tr><td>F. Total number of sponsored noncitizens applying for/receiving Food Stamps</td><td>_____</td></tr><tr><td>G. Divide E by F</td><td>÷ _____</td></tr><tr><td>H. Total</td><td>= _____</td></tr></table> Amount in H to be deemed income for each sponsored noncitizen.	A. Earned Income	\$ _____	B. Less 20%	- _____	C. Unearned Income	+ _____	D. Gross Income Deduction for sponsor's household size	- _____	E. Subtotal	= _____	F. Total number of sponsored noncitizens applying for/receiving Food Stamps	_____	G. Divide E by F	÷ _____	H. Total	= _____
A. ITEMS	VALUE																																																											
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G. Divide E by F	÷ _____																																																											
H. Total	= _____																																																											

SENIOR PARENT QUARTERLY INCOME REPORT

(Supplement to the QR 7 - Use for unaided senior parent.)

CASE NAME:

CASE NUMBER:

THIS REPORT IS FOR THE MONTH OF:

The rules say that when a minor parent (up to age 18) gets cash aid, we must count the income of the senior parent(s) living in the same home. We will figure how much of this income will be counted.

INSTRUCTIONS:

- Fill in this form and return it with your Quarterly Eligibility/Status Report (QR 7) by the 5th day of the submission month. Answer all of the questions about your parent(s) who lives with you.
- If we do not get a complete report by the 11th day of the submission month, your cash aid and cash-based Medi-Cal may be **delayed, changed or stopped**.
- If you have questions, ask your worker.

1. During the report month did your parent(s) get income, money, or benefits, such as: earnings; government benefits like Social Security, Unemployment/Disability Benefits (UIB/DIB), Supplemental Security Income/State Supplementary Payment (SSI/SSP), worker's compensation; railroad retirement, veterans or other private or government disability retirement; interest or dividends from stocks, bonds, savings account; child/spousal support; training payments; strike benefits; cash, gifts, loans, grants, scholarships; tax refunds; Earned Income Tax Credit (EITC); gambling/lottery winnings; rental income, rental assistance; free housing/utilities/clothing or food; insurance or legal settlements; etc? ☐ YES ☐ NO

If YES, list who received the money, the source, gross amount before deductions, and actual date received in the report month. Attach paystubs or other proof of your parent's earnings in the report month. If anyone is self-employed, list business expenses on a separate sheet of paper and attach proof of income and expenses in the report month. Proof for any self-employment income or other income is needed only when it starts and when it changes.

WHO GOT THE INCOME	SOURCE OF INCOME	GROSS AMOUNT					
		ACTUAL DATE RECEIVED					
			\$	\$	\$	\$	\$

2. Do your parent(s) expect any changes in income in the next three months? ☐ YES ☐ NO
If "YES", list below what change is expected. Attach any proof they may have such as, a letter from an employer, benefit award letter, etc.

Who's income will change?	List the source or type of income that will change.	How will the income change?	What do you expect the total amount of income to be in each of the three months?		
			Month _____	Month _____	Month _____

CERTIFICATION

- I understand that if on purpose I do not report all facts, or give wrong information to get aid, I can be legally prosecuted. I can be charged with committing a serious crime if I received more than \$400 in aid that I am not supposed to get. And my cash aid can be stopped for a period of time. I may be fined up to \$10,000 and/or sent to jail or prison for up to 3 years.
- I understand that the facts I report may result in my benefits being changed or stopped.
- I understand that I have the right to a State Hearing on any proposed action by the County Welfare Department.
- I declare under penalty of perjury under the laws of the United States and the State of California that the facts contained in this report are true and correct and are complete.

YOU MUST SIGN AND DATE THIS REPORT AFTER THE LAST DAY OF THE MONTH OR IT WILL BE INCOMPLETE.

SIGNATURE OF CASH AIDED MINOR PARENT

DATE SIGNED

COUNTY USE ONLY

REMINDER FOR TEENS TURNING 18 YEARS OLD

Give this notice right away to your child who will be turning 18 years old within the next 60 days.

If you are 18 years old and don't have children

You can still get cash aid as part of your parent's case after your 18th birthday ONLY if you:

Are a full-time student in high school, or in a vocational or technical training program, AND

Are expected to finish school before reaching 19 years old.

If you are 18 years old and have a child of your own and/or are pregnant

You have a choice...

① You can continue to get cash aid as part of your parent's case after your 18th birthday ONLY if you:

- Are a full-time student in high school, or in a vocational or technical training program, AND
- Are expected to finish school before reaching 19 years old.

If you decide to stay with your parent/caretaker's case, you do not have to do anything.

- OR -

② You can choose to start your own case. **Call your county worker right away if you want to start your own case.** That way you won't lose any cash aid you are eligible for.

Here are some things you need to know before starting your own case:

- You do NOT have to move out of your parent/caretaker's home to have your own case.
- Your CalWORKs time limits for getting cash aid will not start until you leave the Cal-Learn Program.
- As the head of your case, YOU must report certain changes to your county worker each quarter. There are also some things you must report within ten days of the change. You can ask your worker about the changes you have to report.
- If you start your own case, your parent or caretaker will get less cash aid. If you are the only child counted in your parent or caretaker's case, they will no longer get cash aid.
- If the Maximum Family Grant (MFG) rule was applied to your child while you were a dependent minor parent, your child can be counted in your cash aid payment when you are in your own case.
- If you have questions about whether you should start your own case, call the county welfare office or local legal services office.



RIGHTS, RESPONSIBILITIES AND OTHER IMPORTANT INFORMATION

For the Cash Aid and Food Stamp Programs, and/or Medi-Cal/State-Run County Medical Services Program (CMSP)

These pages give you your rights and responsibilities and other important information. The county needs your facts to see if you are eligible for cash aid, food stamps, and/or Medi-Cal/State CMSP and to figure how much you will get if you are eligible. If you need more information or have questions, ask your worker.

Cash Aid includes California Work Opportunity and Responsibility to Kids (CalWORKs) and Refugee Cash Assistance (RCA).

Medi-Cal/State CMSP includes Full Medi-Cal/State CMSP benefits and Restricted Medi-Cal/CMSP emergency and pregnancy related care only.

YOUR RIGHTS

1. To be treated equally without regard to race, color, national origin, religion, political affiliation, marital status, sex, disability, or age. You may file a complaint of discrimination if you feel you have been discriminated against by first speaking with your county's designated civil rights representative or by writing to the

State Civil Rights Bureau
744 P Street, MS 15-70
P.O. Box 944243
Sacramento, CA 94244-2430

or by calling toll free 1-866-741-6241 or for the hearing impaired TDD 1-800-688-4486.

2. To get help applying for or continuing to receive cash aid, benefits and services if you have a disability. If you need help because of a disability, tell the county.
3. To ask for help to complete your application for any other cash aid, food stamp, or Medi-Cal/State CMSP form.
4. To ask for an interpreter and to have forms and notices translated if you don't speak or read English.
5. To be treated with courtesy, consideration and respect.
6. To be interviewed promptly by the county when you apply and to have your eligibility determined within 45 days for cash aid and Medi-Cal/State CMSP (or 90 days for Medi-Cal if a determination of disability is required) and within 30 days for food stamps.
7. To discuss your case with the county and to review your case yourself when you request to do so.
8. To be told the rules for getting cash aid right away. If we think you might be eligible, you will get an interview within one day.
9. To be told the rules for getting food stamps right away. If we think you might be eligible to get them right away, you will get an interview immediately and get food stamps within three days.
10. To get Medi-Cal/State CMSP as soon as possible if you have a medical emergency or are pregnant, if eligible.
11. To continue getting cash aid and Medi-Cal benefits without a break if you move from one county to another if you stay eligible.
12. To be told the rules for retroactive Medi-Cal/State CMSP eligibility.
13. To lower any current Share of Cost you may have by giving the county past unpaid medical bills you still owe, when you apply for Medi-Cal/State CMSP.
14. To choose prepaid health plan (PHP), fee-for-service coverage (if available), Health Maintenance Organization (HMO), or Medi-Cal when eligible for Medi-Cal/State CMSP.
15. To ask to have your Food Stamp I.D. or Medi-Cal Benefits Identification Card (BIC), Food Stamp authorization document or issuance card, or Food Stamp coupons replaced if lost in the mail, damaged, or destroyed. The county will tell you if you are eligible. Your BIC may also be replaced if lost or stolen.
16. To ask for extra money if your income drops or stops (cash aid only).
17. To ask for payments for clothing, housing or essential household items which are lost, damaged or otherwise unavailable due to sudden and unusual circumstances (cash aid only).
18. To ask for payments for ongoing special needs like a special diet, transportation for ongoing medical care, special laundry service, telephone for the hard of hearing, high utility bills, etc. (cash aid only).
19. To be notified in writing when your application is approved, denied, or when your benefits change or stop.
20. To have your records kept confidential by the county and state, unless you are getting cash aid or food stamps and there is a felony arrest warrant issued for you, or as otherwise provided by law.
21. To talk with someone from the county or file a formal complaint with the state if you don't agree with an action taken by the county. You may call toll-free at 1-800-952-5253 or for the hearing impaired, TDD 1-800-952-8349.
22. To ask for a State Hearing within 90 days of the county's action for cash aid, food stamps, Medi-Cal, and, if you think you are/were not getting the right State CMSP services.
23. To ask for a State Hearing, you can write to your county or call the State toll-free telephone numbers listed in Item 21 above.
24. To appeal all State CMSP eligibility issues, you can **only write** to your county.
25. To be represented at a State hearing by yourself, a household member, friend, attorney, or other person of your choice. NOTE: You may get free legal help at your local legal aid office or welfare rights group.

YOUR RESPONSIBILITIES

Citizenship/Immigration Status

To sign under penalty of perjury that each member applying for cash aid and food stamps is a U.S. citizen, U.S. national or has lawful immigration status. Information you give us on immigration status will be checked with the U.S. Immigration and Naturalization Service (INS). Information we get from INS may affect your eligibility. (Manual of Policies and Procedures Section 42-433).

If you want Medi-Cal/State CMSP, you must provide a declaration of citizenship/immigration status under penalty of perjury. If you say you are a noncitizen with lawful permanent residence (LPR) in the U.S., an amnesty alien with a valid and current I-688 or a noncitizen permanently residing under color of law (PRUCOL), your immigration status will be checked with the U.S. Immigration and Naturalization Service (INS). The information the INS receives to verify the immigration status of the applicant can only be used to determine Medi-Cal/State CMSP eligibility, and cannot be used for immigration enforcement unless you are committing fraud.

Fingerprint/Photo Imaging

All eligible adult household members for cash aid and/or food stamps must be fingerprint/photo imaged. If anyone who is required to cooperate with these rules does not get fingerprint/photo imaged, no benefits will be issued to the entire household. (Manual of Policies and Procedures Section 40-105.3).

The fingerprint/photo images are confidential and can only be used to prevent or prosecute welfare fraud.

Social Security Number (SSN) Rules

The SSNs will be used in a computer match to check income and resources with records from tax, welfare, employment, the Social Security Administration and other agencies. Differences may be checked out with employers, banks or others. Making false statements or failing to report all facts or situations which affect eligibility and aid payments for cash aid, food stamp and Medi-Cal/State CMSP may result in repayment of benefits and/or criminal or civil action.

Cash Aid and Food Stamps: You must give us the SSN for each applicant or recipient of cash aid and/or food stamps. If you refuse to give us either a SSN or proof of application for a SSN, you will not be able to get cash aid or food stamps. For cash aid, you must give proof of application for a SSN within 30 days of application for cash aid and give the SSN to the county when you get it. (Manual of Policies and Procedures Section 40-105.2).

Each applicant for Medi-Cal/State CMSP, who says he/she is a U.S. citizen, a U.S. national, LPR in the U.S., an amnesty alien with a valid and current I-688, or PRUCOL, will be disqualified from getting Medi-Cal if he/she refuses to give either a SSN or proof of application for a SSN. Any noncitizen who does not have a SSN and who is not an amnesty alien with a valid and current I-688 or a LPR or PRUCOL, can still get restricted Medi-Cal/State CMSP if he/she meets all eligibility rules, including California residency.

Verification(s)

To give proof to support your eligibility. If you can't get proof, you will need to give the name of some other person or agency we may contact to get the proof. We will help you get proof when you can't get it. (Manual of Policies and Procedures Sections 40-105.1; 40-157.212; 40-157.213)

Cooperation

To cooperate with county, state and federal staff. For cash aid, a county worker can come to your home at an arranged time to check out your facts, including seeing each family member. You may not get benefits or your benefits may be stopped if you don't cooperate.

CASH AID AND MEDI-CAL

To apply for any benefits or income anyone is eligible to get, such as: Unemployment (UIB) or Disability benefits, Veterans benefits, Social Security or Medicare, etc.

Child/Spousal and Medical Support

To cooperate with the county and the Local Child Support Agency to:

- identify and locate any absent parent in your case;
- tell the county or the Local Child Support Agency anytime you get information about the absent parent, such as place of residence or work location;
- determine the paternity of any child in your case when needed;
- obtain medical support money from any absent parent and, if you get cash aid, obtain child support money;
- give the Local Child Support Agency any medical support money and, any child/spousal support money you get;
- tell the county about medical coverage or money for medical services paid by the absent parent.

Your cash aid will be lowered if you don't cooperate. (Manual of Policies and Procedures Sections 40-157.212; 40-157.213).

MEDI-CAL

Benefits Identification Card (BIC)

- To sign your BIC when you get it and to use it only to get necessary health care services.
- **To never throw your BIC away** (unless we give you a new BIC). You need to keep your BIC even if you stop getting Medi-Cal. You can use the same BIC if you get cash aid or Medi-Cal again.
- To take the BIC to your medical provider when you or a family member is sick or has an appointment.
- To take the BIC to the medical provider who treated you or your family member(s) in an emergency situation as soon as possible after the emergency.

Health Care Coverage/Insurance

- To tell the county and any health care provider of any health care coverage/insurance you or a family member have.
- To retain any health insurance available to you and your family at no or reasonable cost.
- To use any prepaid health plans, health maintenance organization or health care insurance plans you have before using Medi-Cal/State CMSP, unless the plan does not offer the medical service needed. You need to use them because Medi-Cal will not pay for any service paid for and/or provided by these medical insurance plans.
- To enroll and stay enrolled in an employment-related group health plan when Medi-Cal approves payment of plan premiums by the State of California.

YOUR REPORTING RESPONSIBILITIES

You must report certain information to the county. If you're not sure how to report, what to report, or what proof we need, ask your worker. If you get food stamps, your worker will tell you if you are a quarterly or change reporting household. If you get Medi-Cal/State CMSP, the county will tell you when you must report. (Manual of Policies and Procedures Section 40-181).

HOW YOU MUST REPORT

For Cash Aid and Food Stamp Quarterly Reporting, you must turn in a Quarterly Eligibility Report (QR 7) by the fifth day of the month following your report months and report all required changes to the County within 10 days.

For Food Stamp Change Reporting, you must report all changes within 10 days:

- by mail, telephone, or in person at the County Food Stamp office; OR
- on a DFA 377.5, Food Stamp Household Change Report

For Medi-Cal, you must report all changes within 10 days AND turn in a complete Status Report by the 5th of the month when the county sends or gives it to you.

WHEN YOU MUST REPORT

For Cash Aid and Food Stamp Quarterly Reporting

Quarterly reporting rules say that you must report things at certain times. You will be assigned a "report month" for each quarter (three month period). This will be the second month of each quarter. For example, if your quarter is January, February and March, February would be your "report month" and your report would be due by the 5th day of March. The report is always due by the 5th day of the month following your "report month" and will be considered late if not received by the 11th day of the month. If your Quarterly Eligibility Report (QR 7) is late you will have to pay back any Cash Aid or Food Stamps that you were not supposed to get. You will have to report gross income, changes in the number of people in your household, property bought or sold by people in your household and other information for that report month as well as any changes in your gross income that you expect to happen in the next quarter. If you do not turn in a completed Quarterly Eligibility Report (QR 7) by the end of the first working day of the month after the month your report is due, your household's benefits will be stopped.

What you must report on the Quarterly Report:

1. **Earned Income:** All gross earned income received by you or anyone in your household in the report month. This includes wages; tips; vacation pay; cash bonuses; money from self employment or from a training program; also any income in kind in exchange for work, such as free rent, clothing or food.

2. **Unearned or Disability Based Income:** All other income received by you or anyone in your household in the report month. This includes Child/spousal support; interest or dividends; gambling/lottery winnings; insurance or legal settlements; strike benefits; cash, gifts, loans scholarships; tax refunds; any government benefits, like Social Security, Supplemental Security Income/State Supplementary Payment (SSI/SSP), unemployment, worker's compensation, state disability indemnity, veterans or railroad retirement, or other private or government disability or retirement; rental income and rental assistance; free housing/utilities/clothing/food; or any other type of money received.
3. You must also report on your Quarterly Report any changes in income that you expect to happen during the next quarter. This includes earned, unearned and disability based income changes.
4. **Property:** Any property including, motor vehicles; bank accounts; savings bonds; insurance policies; a home or land; trust; EBT cash balance, etc. that you or anyone in your household has received since your last Quarterly Report and still has, whether it was bought, obtained through a trade or as a gift. The county will use this information to determine if your household exceeds the property limit. You must also report if you or anyone sold, traded or gave away any property since your last Quarterly Report.
5. **If You Move or Someone Moves Into or Out of Your Home:** Anyone (including newborns) who moved into your home since your last Quarterly Report and is still there. You must also report anyone who moved out of your home or who has died since your last Quarterly Report.
6. **Convicted Drug Felons, Fleeing Felons and Probation/ Parole Violators:** The name of anyone in your household who is either avoiding or running from the law to avoid a felony prosecution, custody or confinement after conviction, or in violation of probation or parole. You must also report anyone in your household who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s). For Food Stamps list felonies since August 22, 1996, and for Cash Aid list convictions that happened after January 1, 1998.
7. **Reduced Hours of Work:** If you are an Able-Bodied Adult Without Dependents (ABAWD), you must report when your hours of work drop below 20 hours a week or 80 hours a month. You must also report if you expect your work hours to drop below these limits during the next three months.

For Medi-Cal/State CMSP, you must report when:

1. Anyone enters or leaves a nursing home or long term care facility.
2. Anyone applies for disability benefits, such as SSI/SSP, Social Security, Veterans, or Railroad Retirement.
3. Anyone gets health care services that result from an accident or injury due to someone else's action or failure to act.

YOUR REPORTING RESPONSIBILITIES (CONTINUED)

For Non-Assistance Food Stamps Quarterly Reporting

If you only get Food Stamps you must report when:

1. Anyone in the household moves to another address, plans to move or gets a new mailing address.
2. Anyone who is an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours a month.

For CalWORKs you must report certain changes at other times:

In certain circumstances you will be required to report things (within ten days of the change) even if it is not your "report month" such as:

1. Anytime that your family's combined gross income (both earned and unearned) is more than the Income Reporting Threshold (IRT) for a family of your size. Your county worker will tell you the IRT limit for a family of your size. If your family only gets unearned income or only gets Food Stamps, you will only be required to report income on your Quarterly Eligibility Report (QR 7).
2. Anytime that someone in your household is convicted of a drug related felony, becomes a fleeing felon or is in violation of probation or parole.
3. Anytime you move you must report your address change so that the County will know where to send your benefits, Quarterly Report forms and notices.

Reporting information voluntarily for CalWORKs and Food Stamps Quarterly Reporting:

You may also report other information voluntarily even when it is not your "report month." Reporting information voluntarily may cause your household's benefits to go up. If the information reported causes your benefits to go up, the county will take action within ten days after you provide verification. One exception is when the increase results from adding another person to your case. In that situation, the County will take action to increase benefits the first of the month after you provide verification. Even if you have already reported something to the County, you must also report it on your next Quarterly Report (QR 7).

Some examples of voluntary reporting that may cause your benefits to go up include:

- Your income stops or drops.
- Someone who has little or no income moves into your home (including a newborn).
- Someone who has income moves out of your home.
- You believe that you or someone in your household is eligible for a CalWORKs Special Needs payment, such as pregnancy special needs or a qualifying special diet.

Additional examples for Food Stamps only:

- A household member begins to pay court ordered child support for a child not living in the home.
- A household member is 60 or older.
- Any member who is disabled or 60 years of age or older has changes in or new medical expenses (if verified your Food Stamps can be refilled).

Reporting voluntary changes will never cause your benefits to go down in the quarter they are reported. When you report changes to the County voluntarily or in between Quarterly Reports, you must also report the change on your next QR 7. If the change you report will cause any of your benefits to go down, it will happen in the new quarter.

At anytime you can ask the County to discontinue your entire case or any individual person who has left the home or is not required to be in the assistance unit. You can also ask the County to discontinue certain benefits, such as: Medi-Cal or Food Stamps. Receiving Medi-Cal/or Food Stamps only will not count against your Cash Aid time limits.

Other changes for quarterly reporting:

There are other changes that will cause the County to decrease or discontinue your benefits during the quarter in which they happen. Here are some examples:

- An adult in the household reaches the CalWORKs 60-month time limit;
- A household member is sanctioned/penalized;
- A child reaches the age of 18 (and will not graduate from high school before the age of 19);
- Someone in your household begins receiving benefits in another household;
- An eligible child is placed in Foster Care;
- Anyone who is an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours a month.

FOOD STAMP CHANGE REPORTING

For Food Stamp Change Reporting, you must report when:

1. Your total monthly income starts, stops, or changes by more than \$25.
2. Anyone's source of income changes.
3. Anyone moves into or out of your home.
4. Anyone joins or leaves your household.
5. You move or you get a new address.
6. Your rent and utility costs **only** if you move.
7. Anyone buys, gets, sells, or gives away a licensed motor vehicle.
8. The total of your household's stocks, bonds, or other money is or is more than \$2000 (or \$3000 if you have a household member who is age 60 or older).
9. If there is a change in the amount of any court ordered child support paid by a member of the household for a child not living in the home.
10. Anyone who is an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient and the number of hours they work or are in training drop to less than 20 hours a week or 80 hours a month.
11. Any member of your household is avoiding or running from the law to avoid any felony prosecution, custody or confinement after conviction, or is in violation of probation or parole.
12. Any member of your household has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s) that took place after August 22, 1996.

For Food Stamp Change Reporting, you may report when:

1. Anyone's physical or mental illness begins or ends.
2. Anyone's citizenship/immigration status changes or anyone gets a letter, form or new card from the INS.
3. You have changes in your dependent care costs.
4. Any member who is disabled or age 60 or older has changes in or new medical expenses. If verified, your allotment can be refilled.
5. Any household member starts to pay court ordered child support for a child not living in the home.

YOUR REPORTING RESPONSIBILITIES (CONTINUED)

IMPORTANT INFORMATION CASH AID ONLY

Unemployed Parent

If you are applying for cash aid as an unemployed parent, the principal earner (PE) must:

- be unemployed and not have worked in the preceding 4 weeks
- apply for and accept any unemployment insurance you are eligible to receive

The PE is the parent who has the most earnings in the past 24 months.

Homeless Assistance

You may be eligible for money to help pay for temporary shelter or permanent housing. This is a once-in-a-lifetime payment unless you meet an exemption. If you have already received homeless assistance and need it again, your worker will tell you if you are eligible.

School Attendance and Immunizations

You must provide proof when requested by the county that:

- all school-age children are attending school, and
- children under the age of 6 have received age appropriate immunizations. (Manual of Policies and Procedures Sections 40-105.4; 40-105.5).

Maximum Aid Payment (MAP)

There are two levels of Maximum Aid Payment (MAP). Most families getting cash aid get the lower MAP level. Families may get the higher MAP level if each parent or caretaker in the Assistance Unit (AU):

- is disabled and getting Supplemental Security Income/ State Supplemental Payments (SSI/SSP), or In-Home Supportive Services (IHSS), or State Disability Insurance (SDI), or Temporary Workers Compensation (TWC), or Temporary Disability Indemnity (TDI) benefits
- is caring for an aided child(ren) who is not their child and the caretaker does not get cash aid.

Also eligible for the higher MAP:

- a family who gets Refugee Cash Assistance (RCA) if each adult meets an exception.

If all the adults in the household meet at least one of these exemptions, ask your worker about applying for an exemption.

Treatment of Self-Employment

If you are self-employed, you will have a choice of figuring your business expenses based on a standard deduction of 40 percent of gross income or using actual business expenses. Once you choose a method of figuring your self-employed net income, you can only change that way of figuring expenses at redetermination or every six months whichever happens sooner.

Maximum Family Grant (MFG) Rule

The MFG rule applies to any child born after August 31, 1997. The MFG rule says that your maximum aid payment (MAP) will not go up to include a child born to your family, if your family got cash aid for the 10 months in a row right before the child's birth. There are exemptions to the rule. Your worker will give you a copy of the MFG rules and answer your questions. Then you will sign a copy that says you understand the rules.

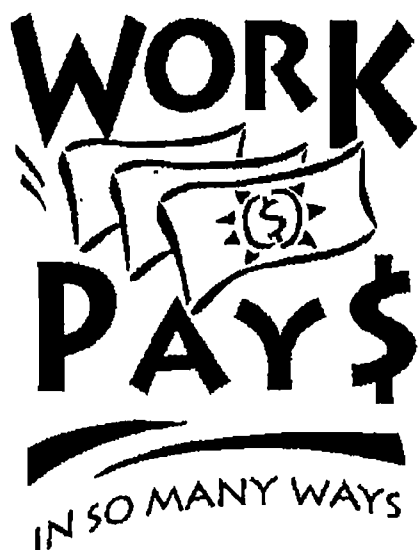
Proof of Facts

If you ask for cash aid within one year of the date it stopped, the county must look at your prior case file to see if it already has the proof needed to determine your eligibility when:

- you cannot get the proof, or
- there is a cost to you to get the proof, or
- processing your application would be delayed because it would take too long for you to get the proof.

If you ask for cash aid within one year of the date it stopped AND, if the county doesn't have the proof it needs, then you will have to provide proof.

If you have new changes since you last got cash aid, the county will need new proof.



Here's how **Work Pays**:

- Gives you more \$\$\$\$ to help support your family
- Builds a better life for you and your family
- Develops job skills
- Builds self-esteem
- Gives you personal satisfaction

You can work and still get cash aid:

- ✓ In most cases, when you work, your gross earnings (earnings before deductions) are not subtracted dollar for dollar from your cash aid payment. You may be eligible for **work related deductions**. When you add it up, you have more \$\$\$\$ for your family.
- ✓ When you have a **grant-based on the job training (OJT)** assignment, all or part of your cash aid payment is used by your employer to help pay your wages. You do not get work related deductions for grant based OJT wages.
- ✓ Either way, you may be eligible for child care costs that are paid to your provider.

See page 7 for facts about work and training rules, work incentives, including child care programs. Ask your worker for more facts about **Work Pays** and how **grant-based OJT** can work for you.

Remember, you can work and still get cash aid as long as you stay eligible and meet reporting rules in a timely manner.

Work and Training Rules

Your worker will tell you what cash aid and/or food stamp work rules you need to follow before and after your application is approved. You may be required to be in work, training or education activities to keep getting your cash aid, food stamps, or both. More than one member of a household can be required to follow cash aid and/or food stamp work rules. If anyone becomes ineligible for not following work or training rules, other members of their household can still get cash aid or food stamps, as long as they remain eligible. But, the amount of cash aid or food stamps they get may change.

Cash Aid Work Rules

If you get cash aid and food stamps or just get cash aid, you will need to take part in certain Welfare-to-Work activities to keep getting your cash aid and food stamps. The county will tell you how many hours a week you must take part in these activities or if you are excused from these rules. Welfare-to-Work activities include, but are not limited to, subsidized or unsubsidized work, work experience, community service, adult basic education, vocational training, and job search. Subsidized means that the county or some other funding source pays your employer for part of your wages.

Community Service Activities

After getting cash aid for a certain number of months, you must have a job with a minimum number of hours per week. If you don't, you can only keep getting cash aid if you take part in community service activities. The county will tell you what time limit applies to you and when your time limit starts. There are exceptions to this time limit and the limit does not apply to children.

The cash aid work rules also say you must:

- Sign a Welfare-to-Work plan;
- Take a suitable job that is offered to you;
- Not quit a job or reduce your earnings.

Penalties for Not Meeting Cash Aid Work Rules

The first time you don't meet cash aid work rules for a good reason, your cash aid will be stopped until you do what you should do. For the second violation, it will be stopped for at least three months and for the third or additional violation, it will be stopped for at least six months. If your cash aid is stopped, your food stamps may also be stopped or reduced. After your cash aid and food stamps are stopped or reduced, you can only get them back again if you meet the work rules that you had stopped meeting or you become excused.

Food Stamp Work Rules for Persons Not Receiving Cash Aid

If you only get food stamps, you may need to take part in certain employment and training activities to keep getting your food stamps. These activities include job search, workfare, adult basic education, and vocational training. The county will tell you how many hours a week you must take part in these activities or if you are excused from these rules.

The food stamp work rules also say you must:

- Answer questions about your job experience and ability to work;
- Check on a possible job we tell you about and take a suitable job that is offered to you;
- Not quit a job or reduce the number of hours you work to less than 30 hours per week.

Food Stamp Only Penalties

If you don't meet food stamp work rules and you don't have a good reason, your food stamps will be denied or stopped for at least one, three, or six months, depending on the number of times you stop meeting the rules. After your food stamps are stopped, you can only get them again if you meet the work rules that you failed to meet or you become excused.

Work Requirement for Able-Bodied Adults Not Receiving Cash Aid

If you only receive food stamps and you don't have minor children, there is another work rule which you also may need to meet. You do not have to meet this work rule if you are under age 18, over age 49, pregnant, or you are part of a food stamp household with a minor child. You may be excused for other reasons that your county worker can explain. The work rule says that if you are an able-bodied adult, you must work at least 20 hours a week or 80 hours a month in paid employment, take part in a workfare project for the required number of hours, or take part in an approved training activity for at least 20 hours per week or 80 hours per month. During a period of 36 months, food stamps will stop if there are three months in which you do not meet the work rule. If you stop meeting the work rule a second time for reasons such as being laid off, you may be able to get food stamps for three months in a row without having to meet the rule. After that you can only get food stamps if you meet the work rule or get excused.

Income Disregards

When you have income and are on cash aid, there are two income disregards (deductions) that may be subtracted from certain types of family income. When you or any of your family members receive certain types of disability-based unearned income or you are working and getting cash aid, you are eligible for an income disregard of \$225. The \$225 is first deducted from certain disability-based unearned income. Any remainder of the \$225 is then deducted from earned income. If there is a remainder of earned income, 50 percent of that remaining earned income will be disregarded.

Treatment of Self-Employment

If you are self-employed, you will have a choice of figuring your business expenses based on a standard deduction of 40 percent of gross income or using actual business expenses. Once you choose a method of figuring your self-employed net income, you can only change that way of figuring expenses at redetermination or every six months whichever happens sooner.

CalWORKs Child Care Program

Child care benefits are available to recipients who need child care to work or participate in county-approved welfare-to-work activities such as attending education or job training programs.

California Department of Education (CDE) Child Care

Child care benefits are also available from CDE. Contact your local Resource and Referral Agency for more information.

Transitional Medi-Cal (TMC)

You may get Medi-Cal for up to 24 months if you go off cash aid because you are working. Your family must have gotten cash aid for at least three of the last six months before cash aid stopped. To get more than six months of TMC, your income must be under certain limits and you must meet TMC reporting rules.

OTHER IMPORTANT INFORMATION

CASH AID AND FOOD STAMP QUARTERLY REPORTING HOUSEHOLDS Budgeting Rules

The amount of cash aid and/or food stamps you can get depends on your income and allowable expenses. You will get a Quarterly Eligibility Report (QR 7) to fill out every three months. On the QR 7, you will need to report what income and expenses you had in the last month and what income and expenses you think you will have in the three months after you turn in your report. The income and expenses you expect to have in the next three months will be used to figure the amount of cash aid and/or food stamps you can get for those three months. Information that you put on the QR 7 about the past month will be used for the next three months if you don't expect your income or expenses to change.

For example, if you turn in a QR 7 in March, you will report what income you had in February. You will also report any income changes you expect to have in April, May and June. If the income from February will stay the same, your cash aid and/or food stamps for April, May, and June will be figured using that same income and expenses for each of those months. If your income and expenses will change, your worker will use the new income amounts you think you'll get in April, May, and June to figure your cash aid and/or food stamp amount for those months. This method is called prospective budgeting.

Property Limit

There is a \$2000.00 limit on the amount of property (e.g., bank accounts, stocks, etc.) that your household can have and still get cash aid or food stamps. If someone in your household is at least 60 years old, the limit goes up to \$3000.00. Your house and furniture are not part of the total limit as long as you live in your home. The individual vehicle value limit is \$4650. If your registered vehicle is worth more than \$4650, anything over the limit will be used as part of the total property limit unless the vehicle is needed by the household for certain reasons. Ask your worker what the reasons are. Any vehicle you have, that cannot be sold for more than \$1500, will not be used as part of the total property limit to determine eligibility. Your worker can tell you how to figure the value of any unregistered vehicles.

CASH AID ONLY

60-Month Time Limit

As of January 1, 1998, a parent or caretaker relative is not eligible for cash aid when he/she has received cash aid for a total of 60 months. All aid received through CalWORKs (California Work Opportunity and Responsibility to Kids) and/or cash aid received from any other state counts toward the 60-month total. Only cash aid received on or after January 1, 1998, counts toward the 60-month total. There are exceptions to this time limit and the limit does not apply to children.

Resources/Electronic Benefits Transfer (EBT)

Any balance remaining in the EBT account at the end of the month will be considered an available resource and could make your household ineligible for cash aid if your total countable resources are more than the allowable resource limits.

Transfer of Assets Rule

Recipients can sell, exchange or change the form of their property holdings, if they get fair market value for the property (asset). If they do not get fair market value for the asset, the family will get a period of ineligibility. The period of ineligibility is figured by subtracting the amount received from the fair market value of the asset and then dividing that amount by the need standard for the family. The amount is rounded down to the next lower whole number.

Cal-Learn

Cal-Learn helps pregnant and/or parenting teens under the age of 20, who are getting cash aid and do not have a high school diploma or its equivalent to stay in or return to school. Teens in the Cal-Learn Program may get cash bonuses for good grades and graduation from high school. Cal-Learn teens may get help with child care, transportation, and other services. Cash penalties may be subtracted from their family's cash aid payment for not going to school or for getting poor grades.

FOOD STAMP ONLY Standard Utility Allowance (SUA)

- If you are billed for heating and/or cooling costs that are not included in your rent or mortgage payment, you may be eligible for the **Standard Utility Allowance (SUA)**. The SUA is one deduction for all of your eligible utility costs. If your utility bills are more than the SUA, you may switch between actual and the SUA at recertification. If you have other utility costs but your heating or cooling costs are included in your rent, your benefits will be figured on your actual utility costs. Ask the county to see if you are eligible for the SUA.
- You may still get food stamps even if your cash aid is denied, changed or stopped. You will get another notice about your food stamps if there is any change.

MEDI-CAL/STATE CMSP ONLY Spending Down Excess Property

- If you get or apply for Medi-Cal/State CMSP Only and you have more property than the rules allow, you may lower it by the last day of any month, including the month of application. For Medi-Cal you may spend your excess property in any manner you want. But you may not be eligible for nursing facility level of care for a period of time if you sell or give away any property for less than its worth, and you apply for or receive Medi-Cal nursing facility level of care within 30 months of the transfer.
- You may not be eligible for State CMSP if you sell or give away any property for less than it is worth.

Resources And Property

- All Medi-Cal benefits received after age 55 are subject to recovery from a deceased Medi-Cal recipient's estate. However, recovery may not exceed the value of the estate. Recovery may not occur if the beneficiary is survived by a spouse. The state may not claim the proportionate share of an estate left to a minor child or a totally disabled adult child. In addition if recovery would cause an undue hardship for any other heirs and that hardship can be demonstrated, recovery may be waived in full or in part.
- If you are institutionalized and your home or former home is not exempt, the State may record a lien against your property to repay the cost of medical care covered by Medi-Cal.

AVAILABLE SERVICES

Women, Infants and Children (WIC) Supplemental Nutrition Program: The WIC Program is only for pregnant and breast feeding women, infants and children under age 5, who are at medical-nutritional risk. For more facts about WIC, call your local county health department or the phone number for "WIC" in the telephone book.

Voter Registration: If you want to register to vote, ask your worker to send you a registration form. If you need help filling it out, ask your worker. You can mail the form yourself. Your eligibility for aid will not be affected whether or not you register. Your worker will not tell you how to vote.

PENALTY WARNINGS

If on purpose you don't report all facts or give wrong facts to get or keep getting benefits, you can be legally prosecuted, and can be charged with committing a felony if more than \$400 is wrongly paid out for cash aid, food stamps, or Medi-Cal because you did not report all of your facts or changes in income, property, or family status. And you can be disqualified from getting cash aid or food stamps.

Disqualification Penalties

Cash Aid and Food Stamps

Disqualification penalties start after a state hearing or court of law finds that the individual has committed an Intentional Program Violation (IPV). Also, anyone who is accused of committing an IPV may agree to be disqualified by signing an Administrative Disqualification Consent Agreement or an Disqualification Hearing Waiver. Anyone who signs one of these documents gives up any hearing rights and accepts responsibility to repay any cash aid overpayment and/or food stamp overissuance.

Cash Aid Penalties

If you do not follow cash aid rules, you may be fined up to \$10,000 and/or sent to jail/prison for 5 years.

And if you are found guilty by court of law or an administrative hearing of committing certain types of fraud, your cash aid can be stopped for 6 months, 12 months, 2 years, 4 years, 5 years or forever.

Food Stamp Only

If your household receives food stamps, it must follow these rules:

- Don't give wrong or incomplete facts to get or keep getting food stamps.
- Don't trade or sell food stamps, Authorization Documents (ADs), or issuance cards.
- Don't alter ADs or issuance cards to get food stamps you are not entitled to get.
- Don't use food stamps to buy ineligible items such as alcoholic drinks or tobacco, paper, or cleaning products.
- Don't use someone else's food stamps, ADs, or issuance cards for your household.

Food Stamps Penalties

If you do not follow food stamp rules, your food stamps can be stopped for 12 months for the first violation, 24 months for the second, and forever for the third. And you may be fined up to \$250,000 and/or sent to jail/prison for 20 years. If you are found guilty in any court of law or administrative hearing because:

- you traded or sold food stamps for firearms, ammunition, or explosives, your food stamps can be stopped forever for the first violation;
- you traded or sold food stamps for controlled substance, your food stamps can be stopped for 24 months for the first violation and forever for the second;
- you traded or sold food stamps that were worth \$500 or more, your food stamps can be stopped forever;
- you filed two or more applications for food stamps at the same time and gave the county false identity or residence information, your food stamps can be stopped for 10 years.

APPLICANT/RECIPIENT CERTIFICATION

- I understand my rights and responsibilities and agree to comply with my responsibilities.
- I also understand the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect my eligibility or benefit level for cash aid or food stamps, and/or my Medi-Cal/State CMSP share of cost.
- I certify I was given a copy of The Rights, Responsibilities, and Other Important Information (SAWS 2A QR).

- I also certify that, if I applied for or get cash aid, I got a copy of the following:

☐ Welfare to Work Informing Notice (WTW 5)

(APPLICANT/RECIPIENT'S INITIALS)

- I also certify that if I applied for Medi-Cal/State CMSP, I got a copy of the MC 219 and its contents were explained to me.

ELIGIBILITY WORKER'S CERTIFICATION

I certify that the applicant/recipient appears to understand:

- his/her rights and responsibilities and
- the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect his/her eligibility or benefit level for cash aid or food stamps, and/or share of cost for Medi-Cal/State CMSP

I also certify that the applicant/recipient was given a copy of:

- The Rights, Responsibilities, and Other Important Information (SAWS 2A QR)

- For cash aid:

☐ Welfare to Work Informing Notice (WTW 5)

- For Medi-Cal/State CMSP: the MC 219 and that its contents were explained to him/her.

Signature (Parent or Caretaker Relative, Food Stamp Household Member or Authorized Representative, Medi-Cal/State CMSP Applicant/Beneficiary)	Date
Signature (Other Parent Living in the Home)	Date
Eligibility Worker's Signature	Date
Eligibility Worker's Number	

PENALTY WARNINGS

If on purpose you don't report all facts or give wrong facts to get or keep getting benefits, you can be legally prosecuted, and can be charged with committing a felony if more than \$400 is wrongly paid out for cash aid, food stamps, or Medi-Cal because you did not report all of your facts or changes in income, property, or family status. And you can be disqualified from getting cash aid or food stamps.

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- you traded or sold food stamps that were worth \$500 or more, your food stamps can be stopped forever;
- you filed two or more applications for food stamps at the same time and gave the county false identity or residence information, your food stamps can be stopped for 10 years.

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- I also understand the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect my eligibility or benefit level for cash aid or food stamps, and/or my Medi-Cal/State CMSP share of cost.
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(APPLICANT/RECIPIENT'S INITIALS)

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- the penalties for giving incomplete or wrong facts, or for failing to report facts or situations that may affect his/her eligibility or benefit level for cash aid or food stamps, and/or share of cost for Medi-Cal/State CMSP

I also certify that the applicant/recipient was given a copy of:

- The Rights, Responsibilities, and Other Important Information (SAWS 2A QR)

- For cash aid:

☐ Welfare to Work Informing Notice (WTW 5)

- For Medi-Cal/State CMSP: the MC 219 and that its contents were explained to him/her.

Signature (Parent or Caretaker Relative, Food Stamp Household Member or Authorized Representative, Medi-Cal/State CMSP Applicant/Beneficiary)

Date

Signature (Other Parent Living in the Home)

Witness, if You Signed With An "X"

Date

Eligibility Worker's Signature

Eligibility Worker's Number

Date

IMPORTANT INFORMATION - PLEASE READ

NEW REPORTING REQUIREMENTS FOR CalWORKs AND FOOD STAMP RECIPIENTS

The State of California is changing the way you report things that affect your eligibility for Cash Aid and Food Stamps. Instead of reporting changes every month, you will now have to report most changes every three months.

You will be assigned a "report month" for each quarter (three months). This is the second month of each quarter. For example, if your quarter is January, February and March, February is your "report month" and your quarterly report is due by the 5th day of March.

FOR EXAMPLE:

If your quarter begins in	Your "Report Month" is	Your QR 7 is Due by the 5th of
January	February	March
April	May	June
July	August	September
October	November	December

The Quarterly Report (QR 7) is always due by the 5th day of the month following your "report month" and will be considered late if not received by the 11th day of the month. If your Quarterly Report (QR 7) is late, you may be overpaid. If you are overpaid, you will have to pay back any Cash Aid or Food Stamp benefits that you were not supposed to get.

For your report to be complete, you must answer all the questions, sign and date it after the last day of your report month and attach proof if the form asks for it. If you do not turn in a completed QR 7 by the end of the first working day of the month after your report is due, your household's Cash Aid and/or Food Stamps will be stopped.

What you must report on the Quarterly Report (QR 7):

Earned Income:

All gross income received in the report month by you or anyone in your household. This includes wages; tips; vacation pay; cash bonuses; money from self employment or from a training program; also any work done in exchange for free rent, clothing or food.

Unearned or Disability Based Income:

All other income received in the report month by you or anyone in your household. This includes child/spousal support; interest or dividends; gambling/lottery winnings; insurance or legal settlements; strike benefits; cash, gifts, loans, scholarships; tax refunds; any government benefits, like Social Security, Supplemental Security Income/State Supplementary Payment (SSI/SSP), unemployment, worker's compensation, state disability indemnity, veterans or railroad retirement, or other private or government disability or retirement; rental income and rental assistance; free housing/utilities/clothing/food; or any other type of money received.

You must also report on your Quarterly Report any changes in income that you expect to happen during the next quarter (three months). This includes earned, unearned and disability based income changes.

Property:

Any property including, motor vehicles; bank accounts; savings bonds; insurance policies; a home or land; trust; EBT cash balance, etc. that you or anyone in your household has received since your last Quarterly Report and still has, whether it was bought, obtained through a trade or as a gift. The county will use this information to determine if your household exceeds the property limit. You must also report if you or anyone sold, traded or gave away any property since your last Quarterly Report.

You move or someone moves into or out of your home:

Anyone (including newborns) who moved into your home since your last Quarterly Report and is still there. You must also report anyone who moved out of your home or who has died since your last Quarterly Report.

Someone becomes pregnant:

Anyone (including minor children) who becomes pregnant since your last Quarterly Report. Pregnant members in your home may be eligible for a pregnancy special needs payment. Also, if your minor child has not completed high school or its equivalent and becomes pregnant, she may be eligible for additional services under the Cal-Learn Program.

Convicted Drug Felons, Fleeing Felons and Probation/Parole Violators:

The name of anyone in your household who is either avoiding or running from the law to avoid a felony prosecution, custody or confinement after conviction, or in violation of probation or parole. You must also report anyone in your household who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s). Once you have reported this information on your Quarterly Report, you do not need to report this information about the same person every quarter.

Reduced hours of work:

If you are an Able-Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report when your hours of work or training drop below 20 hours a week or 80 hours a month. You must also report if you expect your work or training hours to drop below these limits during the next three months.

Other things that happened since your last report.

Some other things that you will need to report include, Job/Training (started, stopped, quit, refused a job or training, the number of hours worked or in training went up or down, or went out on strike); Citizenship/Immigration Status (a citizenship or immigration status change or anyone got a new card, form or letter from the INS); Babies (became pregnant, had a baby, aborted or miscarried); Marital status (married, divorced or separated); Disability (became disabled or recovered from a disability/major illness); Insurance (started, stopped, or changed life, dental or health insurance benefits including MEDICARE coverage); IHSS (started or stopped getting In-Home Supportive Services); School-Ages 6 through 17 (**For Cash Aid Only:** stopped or started attending school regularly); School-Age 16 or older (started or stopped school or college. Cost of tuition, school transportation, etc.).

Changes you must report at other times:

There are times that you must report changes (within ten (10) days of the change) even if it is not your "report month" such as:

- If you receive Cash Aid, you must report anytime that your family's combined gross income (both earned and unearned) is more than the Income Reporting Threshold (IRT) for a family of your size. Your county worker will tell you the IRT for a family of your size. **Families that only have unearned income or that only get Food Stamps will not be required to report income except on the Quarterly Report form.**
- If you receive Cash Aid, you must report anytime that someone in your household is convicted of a drug related felony for possession, use or distribution of a controlled substance(s), becomes a fleeing felon or is in violation of a condition of probation or parole.
- If you receive Cash Aid and/or Food Stamps, you must report your address change so that the County will know where to send your benefits, Quarterly Report forms and notices.
- If you are an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report anytime the number of hours you work or are in training drop to less than 20 hours a week or 80 hours a month.

Some information you are required to report will cause your benefits to go down or stop (such as having too much income or convicted drug felons and fleeing felons or probation/parole violators).

Changes you may report:

You can also report other information voluntarily even when it is not your "report month." Reporting information voluntarily may cause your household's benefits to go up. If the information voluntarily reported causes your benefits to go up, the county will take action within ten days after you provide verification. One exception is when the increase results from adding another person to your case. In that situation, the County will take action to increase benefits the first of the month after you provide verification. **Even if you have already voluntarily reported something to the County, you must also report it on your next Quarterly Report (QR 7).**

Some examples of voluntary reporting that may cause some of your benefits to go up include:

- Someone who has no income moves into your home (including a newborn).
- Someone (including minor children) becomes pregnant.
- Someone who has income moves out of your home.
- You believe that you or someone in your household is eligible for a CalWORKs Special Needs payment, such as pregnancy special needs or a qualifying special diet.
- Someone in your household is disabled or aged 60 or older and reports **new** medical expenses that you would like to use to figure your Food Stamp benefits.

If the change you report will cause any of your benefits to go down, it will happen in the new quarter.

At anytime, you can ask the County to discontinue your entire case or any individual person who has left the home or is not required to be in the assistance unit. You can also ask the County to stop certain benefits, such as: Medi-Cal or Food Stamps. Receiving Medi-Cal and/or Food Stamps only will not count against your Cash Aid time limits.

Other changes that will cause the County to lower or stop your benefits during the quarter in which they happen.

Here are some examples:

- An adult in the household reaches the CalWORKs 60-month time limit;
- A household member is sanctioned/penalized;
- A child (who is not pregnant or who is not a parent) reaches the age of 18 (and will not graduate from high school before the age of 19);
- Someone in your household starts getting benefits in another household;
- An eligible child is placed in Foster Care.
- An Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient's number of hours worked or training drops to less than 20 hours per week or 80 hours per month.

How the County will figure your Cash Aid and Food Stamps:**New budgeting rules**

The amount of Cash Aid and/or Food Stamps you can get depends on your income and allowable expenses. The income and expenses you expect to have in the next three months will be used to figure the amount of Cash Aid and/or Food Stamps you can get for those three months. Information that you put on the QR 7 will be used to figure the amount of your Cash Aid and/or Food Stamps for the next quarter (three months).

For example, if you turn in a QR 7 in March, you will report what income you had in February. You will also report any income and expense changes you expect to have in April, May, and June. If your income and/or expenses from February are expected to stay the same, your Cash Aid and/or Food Stamps for April, May, and June will be figured using February's income and expenses. If your income and/or expenses are expected to change, your worker will use the new income and/or expense amounts you think you'll get in April, May, and June to figure your Cash Aid and/or Food Stamp amount for those months. This is called prospective budgeting.

Failure to report and/or purposely reporting false or inaccurate information:

Failure to report the required information or purposely reporting false or inaccurate information may result in your benefits being overpaid. Any overpaid benefits caused by your failure to report or purposely reporting false or inaccurate information **MUST** be repaid. You may also be subject to fraud charges/penalties if you do not report required information to the County.

REPORTING CHANGES FOR YOUR CASH AID ASSISTANCE UNIT AND FOOD STAMP HOUSEHOLD

CASE NAME:

CASE NUMBER:

WORKER:

WORKER NUMBER:

If you receive Cash Aid, what you MUST report even when it is not your report month.

Anytime your Assistance Unit's (AU's) combined gross monthly income, both earned and unearned, is more than the Income Reporting Threshold (IRT) for your AU size, you must report this information to the County within ten (10) days. You can report this information to the County by calling your worker or reporting it in writing.

Your AU size is _____ your IRT is \$ _____.

The County will let you know each time your IRT changes.

Gross income means the amount of your income before any deductions, such as taxes, Social Security and retirement contributions, overpayment collections, wage garnishments or attachments, etc.

Failure to report when your income is more than the IRT limit for your AU's size may result in your benefits being overpaid. Any overpaid benefits caused by your failure to report **MUST** be repaid. You may also be subject to fraud charges/penalties if you do not report required information to the County.

How to figure your family's gross income.

Each month, add all of your AU's income both earned and unearned (wages or earnings, salary, disability income, unemployment, public benefits, etc.). If the total is more than the amount shown on this letter, you must report this income to the County. AU's that only have unearned income or that only get Food Stamps will not be required to report income except on the Quarterly Report form.

If you receive Cash Aid, you MUST also report this information even when it is not your report month.

- Anyone in your AU who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s), has become a fleeing felon or is in violation of a condition of probation or parole and you have not already reported it.
- Anytime you have an address change, you must report your new address to the County.

If you receive Food Stamps, you MUST report this information even when it is not your report month.

- If you are an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report anytime the number of hours you work or are in training drop to less than 20 hours a week or 80 hours a month.
- Anytime you have an address change, you must report your new address to the County.

Voluntarily reporting information

You may report changes to the County anytime you think the change will result in your Cash Aid or Food Stamp benefits going up. For example.

- Your income stops or goes down;
- Someone who has income has moved out of your home;
- Someone moves into your home and has no income;
- Your minor child becomes pregnant and is eligible for Cal-Learn services;
- CalWORKs special needs that you or someone in your AU may have such as, pregnancy special needs, a special diet prescribed by a doctor, etc;
- The birth of a child;
- For Food Stamps: Anyone in your household who is disabled or age 60 or older may report new medical costs that are not currently being used to figure your Food Stamp benefits.

At anytime, you can also ask the County to discontinue your entire case or any individual person who leaves the home or is not required to be in the assistance unit. You can also ask the County to stop other benefits, such as: Medi-Cal or Food Stamps. Receiving Medi-Cal and/or Food Stamps only will not count against your Cash Aid time limits.